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The Startup Economy Report

December 2022



PREFACE

India has emerged as the world's third-largest startup ecosystem and is enabling jobs for millions of people. The past five years have transitioned the startup ecosystem in India from an early-stage ecosystem to the current rapid growth phase. Now that the ecosystem has matured it is beginning to leap into a phase of global scale of growth. The Indian economy is already witnessing the impact of inclusive and sustainable growth offered by a robust startup ecosystem. This report 'The Startup Economy Report 2022' is the first of its kind as it seeks to assess the impact of startups and new-age businesses on the Indian economy. The report has utilised thematic analysis, case studies and surveys to highlight the contribution, influence, and outcome of the advent of startups on the economy. Further, this report will also accentuate untapped opportunities and the innate ability of the Indian startup ecosystem to enable inclusion into the formal economy.

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By the Founders of StrideOne



Ishpreet Singh Gandhi,
Founder, StrideOne

Indian startups have stepped onto the global stage, in 2021 startups raised more than \$42 billion across 1,583 deals with 42 unicorns announced just last year. The rapid growth phase and maturity of the ecosystem have unlocked tremendous appetite for scalability, alternate funding options, expansion into the global market and the capacity to enable millions of jobs. This meteoric rise of startups has made India the 3rd largest startup ecosystem in the world, this has significantly impacted the Indian economy and showcases the ability to contribute approximately **4-5% to the GDP of India**. This report is an endeavour to highlight the impact made by startups on the Indian economy; the latent opportunities; and also the ecosystem's inherent ability to foster inclusivity, sustainability and growth.

The Indian startup ecosystem has matured considerably not just in terms of capital infused but also the level of sophistication and capacity to unlock global scale. The digitisation journey has brought the Indian market at a stage where startup aligned value chains have created widespread impact across sectors, geographies and communities. It is an opportune time to self-examine and leverage on this success to realize the growth potential and build a sustainable ecosystem which promotes inclusivity. This report is a unique initiative by StrideOne to analyse the startup ecosystem's contribution to the economy at large and its untapped potential.



Abhinav Suri,
Co-Founder, StrideOne

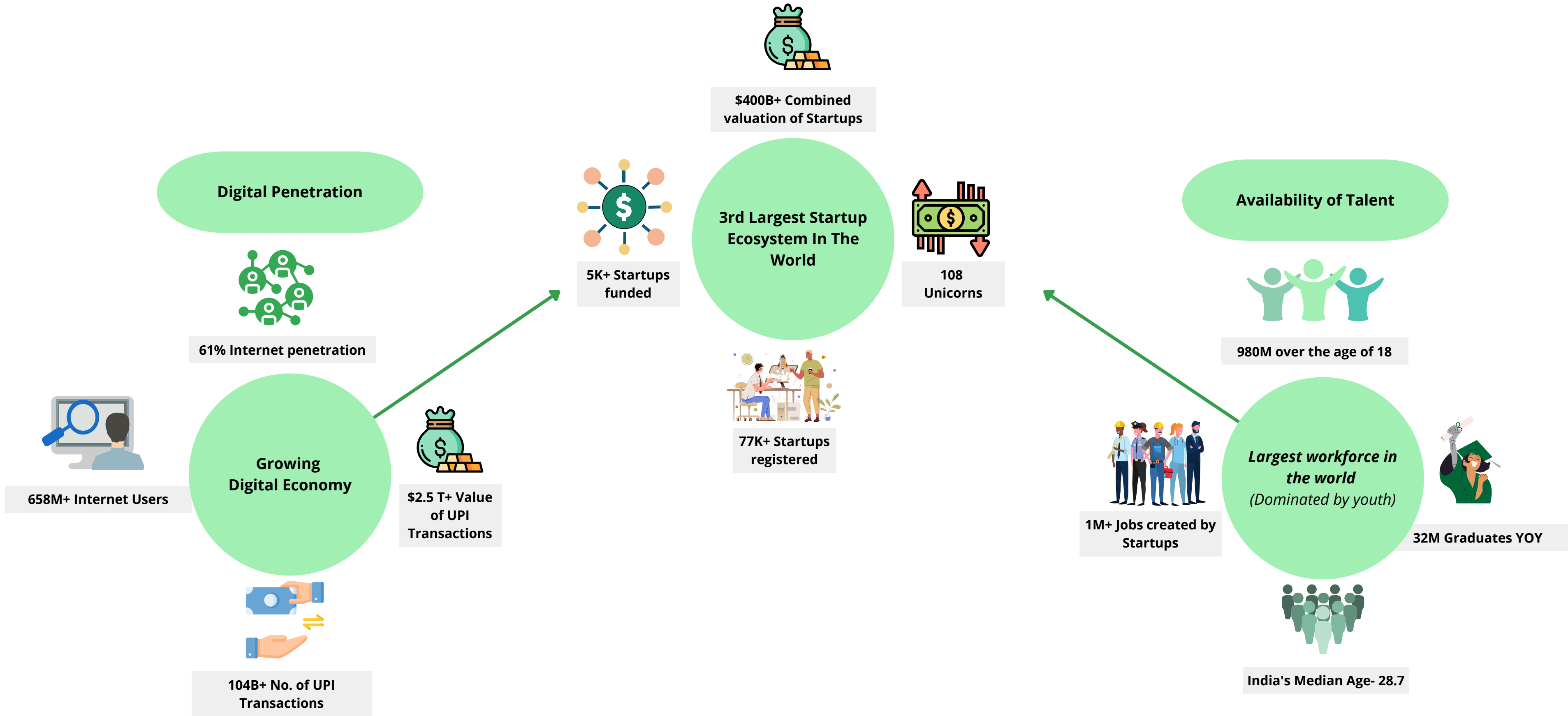
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India has the Third Largest Startup Ecosystem Globally

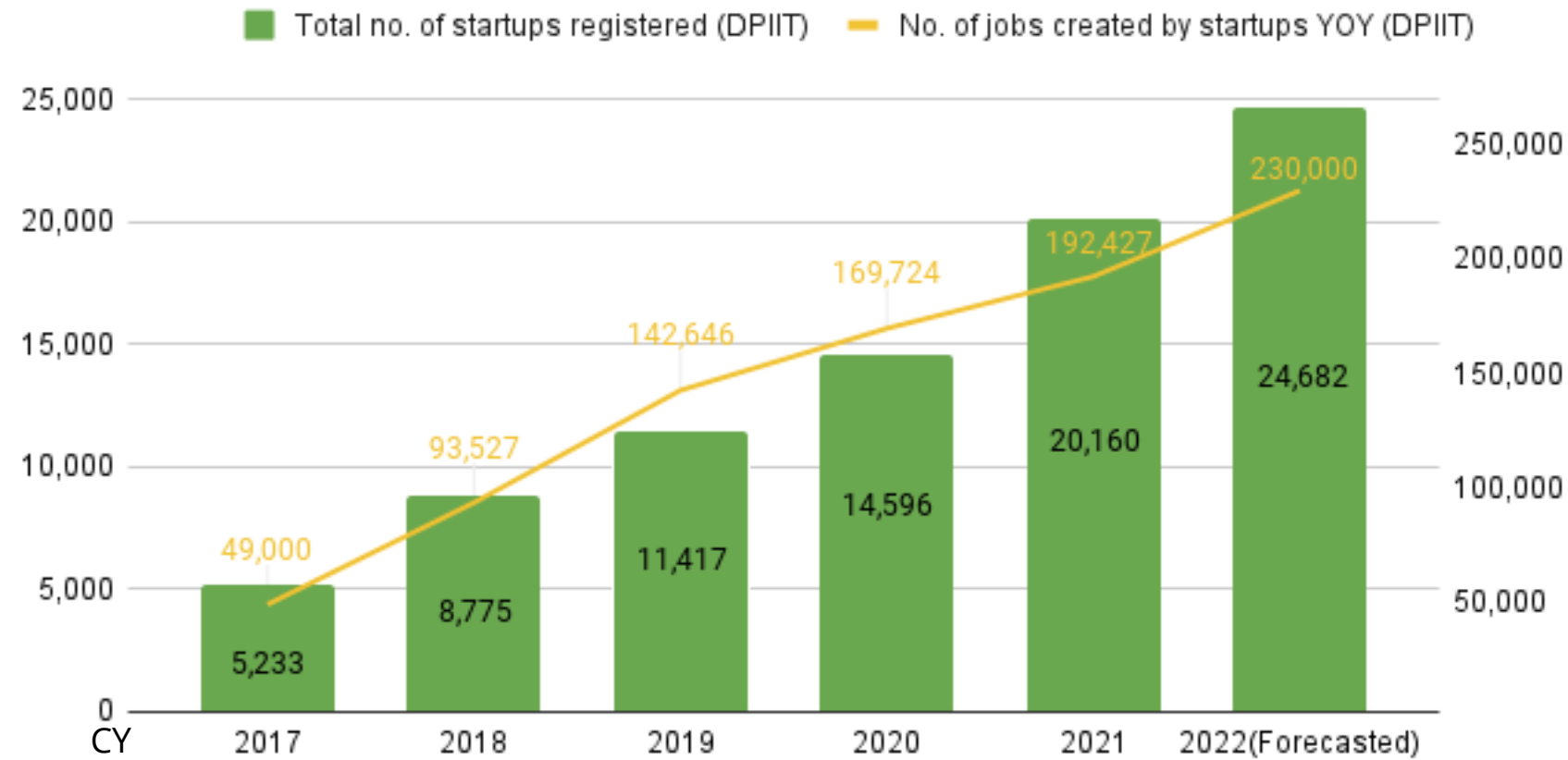
Mobile and internet penetration along with wide availability of talent has facilitated growth of startups



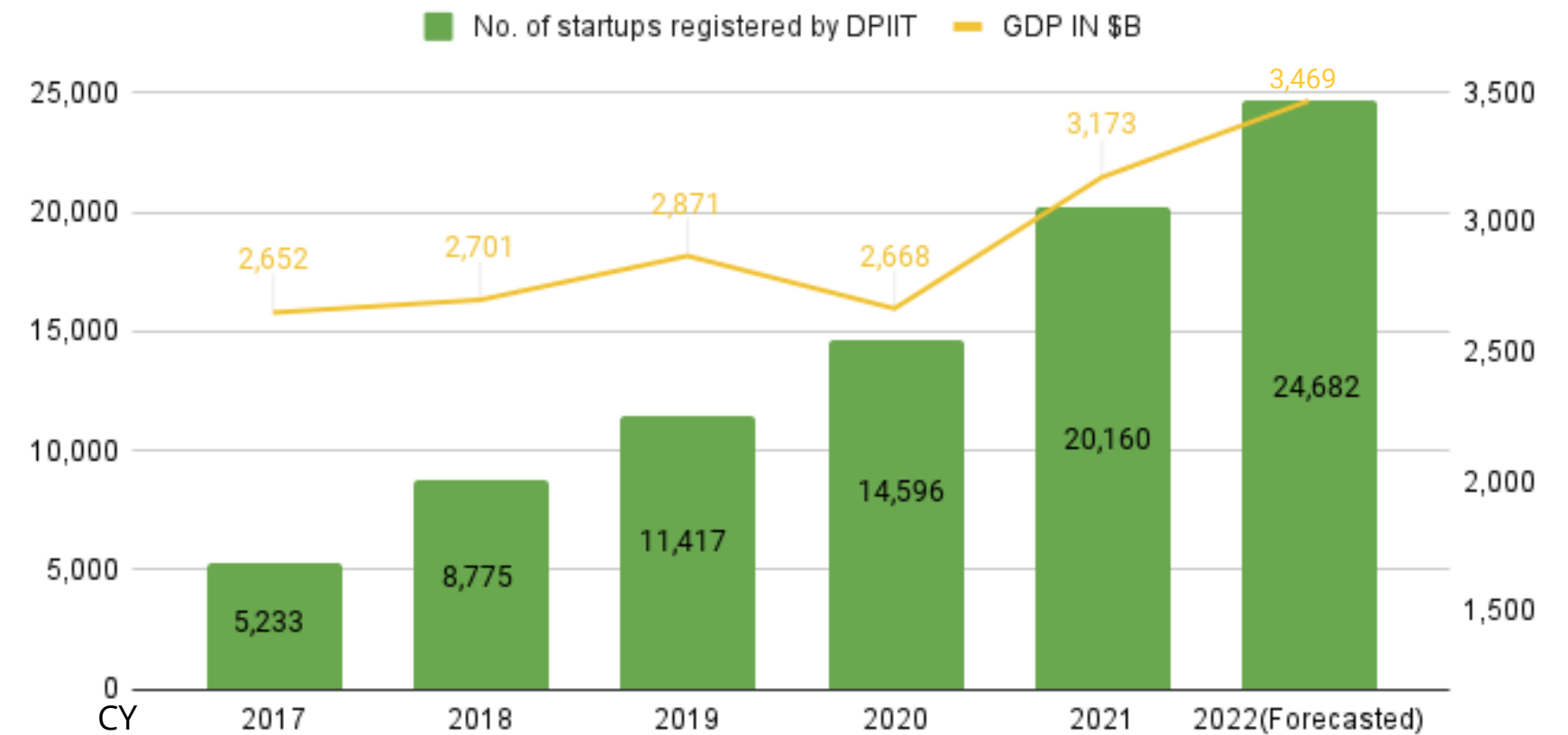
Startups & their Role in the Indian Economy

Startups play a key role in creating new jobs, democratizing access to business opportunities and creating avenues for innovation

Jobs created and startups registered in India



Startups registered and GDP of India



Startups Registered
Total No. of startups grew at a CAGR of 72% from 2017-22 and are projected to grow at a CAGR of 25% from 2022-27

Jobs created
Total no. of jobs created by startups grew at a CAGR of 78% from 2017-22 and are projected to grow at a CAGR of 24% from 2022-27

Digital Economy
Government Impetus to Digital Economy will have the following impact sector-wise in the economy

- Retail -11.7x
- Logistics -30x
- Education -50x
- Agriculture -70x
- Jobs -70x
- Financial Services -170x

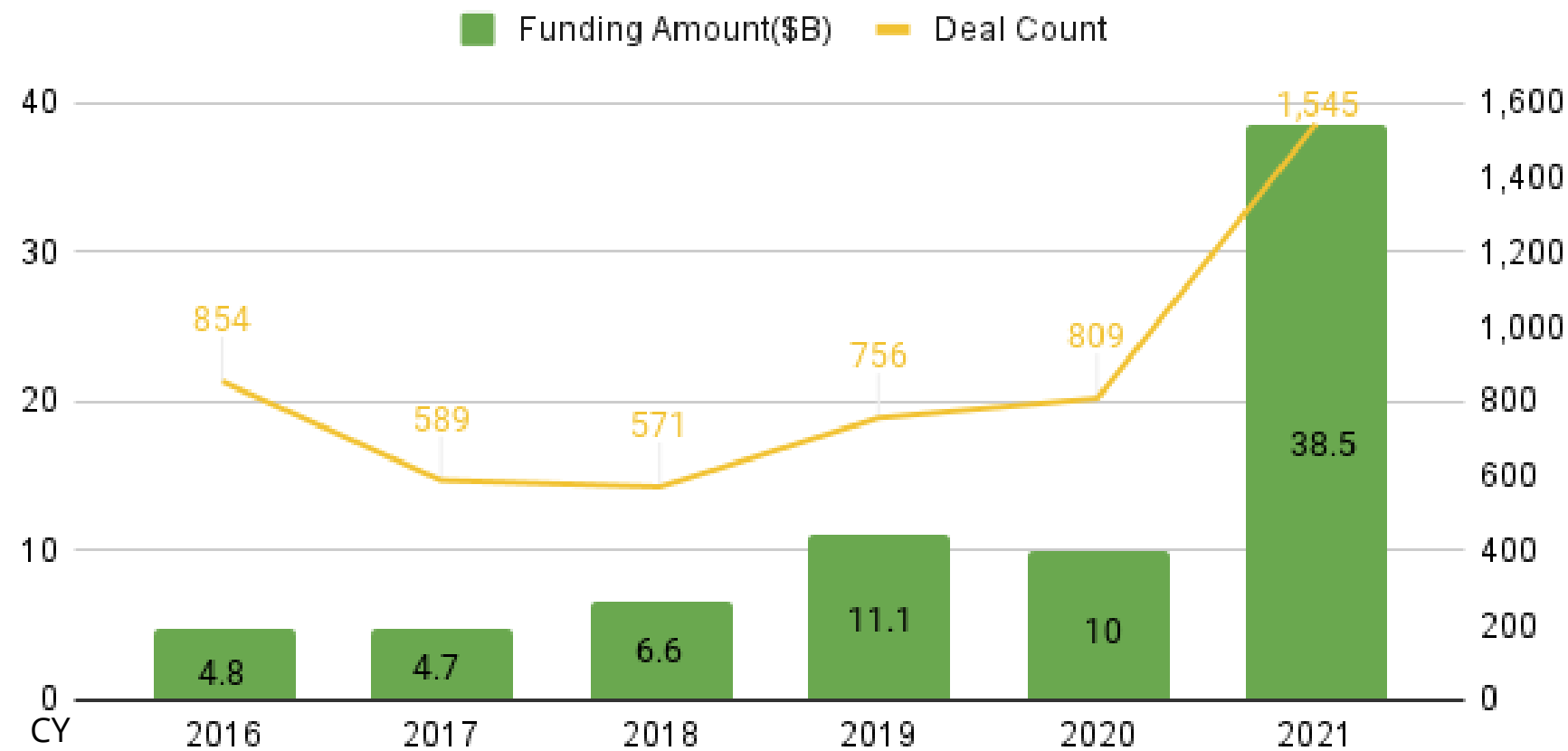
EXPECTED SECTOR WISE DIGITAL PENETRATION INCREASE BY 2025

Opportunity for Startups
Exponential increase in digital penetration across sectors provides unique opportunity to startups to increase the reach of their offerings

Funding in Indian Startups

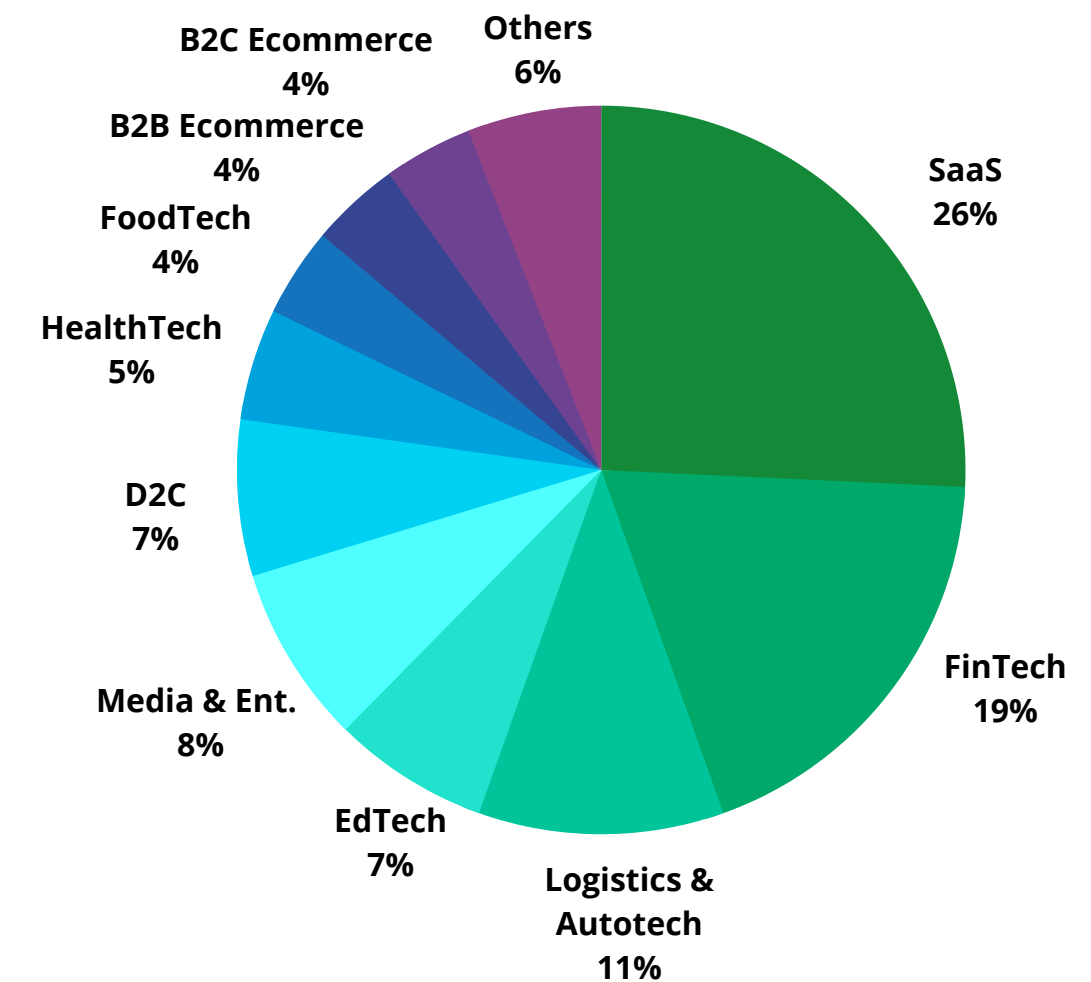
VC/PE Funding has seen an exponential increase in the last 5 years

Funding Amount and Deal Count



The first three quarters of CY 2022 witnessed **837 deals** with a **total funding of \$20.5B**.

Sector-wise Tech Investments in India (2022)

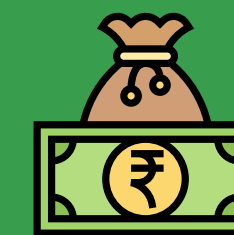


Funding Amount and Deal Count by Startups

- **Funding amount** has increased at a CAGR Of 42% from 2016-2021
- **Deal count** has increased at a CAGR of 23% from 2016-2021
- **Total funding** raised by Indian Startups between 2016 and Sept'22 is \$90B.
- 2021 saw an increased flow of investment on account of increased digitization due to COVID

Top 3 Sectors wise Investments (Jan - Sep'22)

- SaaS (\$5.4B)
- FinTech (\$3.8 B)
- Logistics and AutoTech (\$2.2B)



Within FinTech:

Alternative lending, payments and investment tech have received the highest funding in 2022. Oxyzo and CredAvenue raised the highest funding of \$200M and \$137M respectively

Startup Landscape

Mapping of Startups across
Primary, Secondary & Tertiary Sectors of the Indian Economy



Startup Landscape across the Indian Economy

New-age businesses are omni-present across the Primary, Secondary and Tertiary sectors

Primary

AGRITECH

MEAT AND FISH

ENERGY GENERATION

Secondary

TEXTILE AND APPAREL

AUTOMOBILE

MATERIALS AND CONSTRUCTION

DRONE TECHNOLOGY

SPACETECH

Tertiary

QUICK COMMERCE

MEDIA AND ENTERTAINMENT

D2C

ECOMMERCE

RETAIL AUTOMOBILE

RETAIL HEALTHTECH

B2B PHARMA

EDTECH

KIRANATECH

Common Sectors

FINTECH

LOGISTICS

SAAS

Startup Landscape | Primary Sector

In the Primary Sector, startups provide market linkages and digital solutions to increase yield

Sub Sector	Business Model	Definition	Investor Interest*	Startups
AGRITECH	SMART FARMING	Use of technologies like IoT, robotics, drones and AI to increase the quantity and quality of yield	●	
	INWARD MARKET LINKAGES	Online marketplaces providing farming inputs like seeds and fertilizers to farmers	●	
	FARMING AS A SERVICE	Providers of capex heavy machinery on subscription-basis for farming	●	
	OUTWARD MARKET LINKAGES	Online marketplaces connecting farming output to buyers across the value-chains	●	
	FINANCIAL SERVICES	FinTechs providing agriculture-specific credit and banking products	●	
FISH	MARKET LINKAGES	Online marketplaces connecting fish and shellfish producers to customers across the value-chain	●	
MEAT	MARKET LINKAGES	Online marketplaces connecting meat growers to the customers across the value-chain	●	
RENEWABLE ENERGY	ENERGY GENERATION	Providers of tools and technologies for renewable energy generation	●	
FORESTRY	FOREST CONSERVATION	Service provider for creating natural, wild, maintenance free, native forests	●	
MINING	ENABLEMENT THROUGH DRONES	Usage of drone technology for production and monitoring in Mining	●	

Note: * based on VC funding in 2022

● Indicates high investor interest (# deals in CY'22) ● Indicates low to medium investor interest (# deals in CY 2022)

Startup Landscape | Secondary Sector

In the Secondary Sector, startups provide market linkages, enable contract manufacturing across industries

Sub Sector	Business Model	Definition	Investor Interest	Startups
TEXTILE AND APPARELS	B2B FASHION MARKET LINKAGES	B2B Platform engaged in end-to-end market linkage of apparels	●	FASHINZA Manufacturing Simplified, Grovo
	B2B HOME DECOR LINKAGES	B2B Platform engaged in end-to-end market linkage of home décor products	●	GENIEMODE, RESHAMANDI, LALO
MATERIALS	CUSTOM MANUFACTURING	Contract manufacturing tech-platforms for B2B customers	●	ZETWERK, bijnis Taking Factories To The World
	CONSTRUCTION MATERIAL & GRANITE MARKET LINKAGE	B2B Platform engaged in end-to-end market linkage of construction materials and stones	●	Metalbook, INFRA.MARKET, ofBusiness
	IOT IN MANUFACTURING	Smart manufacturing enablers through usage of IoT devices in manufacturing	●	INFINITE UPTIME, DETECT TECHNOLOGIES, GreyOrange
AUTOMOBILE	EV 2W MANUFACTURING	Manufacturer of 2 wheeler electric vehicles	●	ATHER, OLA ELECTRIC
	EV 2W BATTERY SWAPPING	EV Battery charging and swapping enablers	●	Battery Smart, SUN MOBILITY
DRONE TECHNOLOGY	DRONE MANUFACTURING AND IMAGING	Production of drones and deployment in land monitoring	●	DRONEACHARYA AERIAL INNOVATIONS, ideaForge Create. Inspire, Garuda aerospace
SPACETECH	SATELLITE ENABLERS	Provider of satellite-based Earth imaging solutions	●	TEAM INDUS, SKYROOT AEROSPACE, GNIKUL

Startup Landscape | Tertiary Sector (Part 1/3)

In the Tertiary Sector, startups provide tech based services and retail facing products to businesses and consumers

Sub Sector	Business Model	Definition	Investor Interest	Startups
QUICK COMMERCE	GROCERY AND FMCG	Last mile delivery aggregator platforms for grocery and FMCG		
	FOODTECH	Food delivery platforms connecting restaurants and cloud kitchens with final customers		
MEDIA & ENTERTAINMENT	ONLINE GAMING AND E-SPORTS	E-Gaming platforms with online communities		
	MUSIC INDUSTRY	Music, podcast and audio streaming platforms		
	OTT	Movie, shows and video streaming platforms		
MARKET PLACES	D2C	Consumer facing brands across fashion, lifestyle, electronics, FMCG, etc		
	B2C ECOMMERCE	Online marketplaces for connecting brands/businesses with the final customer		
	SOCIAL COMMERCE	Social community e-commerce platforms enabling buying and selling		

Indicates high investor interest (# deals in CY'22) Indicates low to medium investor interest (# deals in CY 2022)

Startup Landscape | Tertiary Sector (Part 2/3)

Sub Sector	Business Model	Definition	Investor Interest	Startups
RETAIL AUTOMOBILE	RIDE HAILING	Platform for retail customers to call for cabs - 2W and 4W for intra-city travel	●	ola, rapido BIKE TAXI, BLU SMART MOBILITY
	CAR SERVICE & REPAIR	Tech-enabled network of car repair and maintenance workshops	●	GoMechanic, PITSTOP SERVICE CENTER
	USED CAR MARKET PLACES	Online platform for comparison, compliances and buying and selling of used automobiles	●	CARS 24, Spinny, CarDekho
	CAR RENTAL	App-based platform for automobile rental by the retail customers	●	Zoomcar Never Stop Living, drivezy
RETAIL HEALTHTECH	TELEMEDICINE	Online platform for delivery of medicines and online health consultations	●	MediBuddy — Your Health Buddy —, TATA 1mg, PharmEasy
	MEDICAL DEVICES & SERVICES	Digital platforms facilitating the sale of smart devices and health services	●	HealthifyMe, Beat in control, Phable
EDTECH	ONLINE PLATFORMS	Online educational enablers for different age groups and skills	●	MIKO, Avanti, BYJU'S, unacademy

Startup Landscape | Tertiary Sector (Part 3/3)

Sub Sector	Business Model	Definition	Investor Interest	Startups
PROPERTY-TECH	REAL ESTATE MARKETPLACE	Buying and selling of real estate on the online marketplace		NOBROKER HOUSING.com
	CO-WORKING COMMERCIAL TECH	Online platform that provides managed co-working space		INDIQUBE awfis@home
	INTERIOR & EXTERIOR DESIGN	Online platform that provides interior design solutions		HomeLane LIVSPACE
B2B PHARMA	MARKET LINKAGE PLATFORMS	Online B2B platforms supplying medicines to pharmacies		MEDIKABAZAAR SAVEG
KIRANA TECH	KIRANA ENABLERS	Tech platforms and tools to streamline the everyday activities of Kirana stores		ShopKirana 1K KhataBook

Startup Landscape | Common Sectors (Part 1/2)

FinTech and Logistics are two sectors that supports sectors across the Indian Economy, facilitating the activities of the primary, secondary and tertiary sectors

Sub Sector	Business Model	Definition	Investor Interest	Startups
FINTECH	LENDING TECH	Digital lending startups enabling credit to retail customers, businesses and others		Yubi PROGCAP CAPITAL FOR PROGRESS Money View™
	INSURTECH	Tech-Platforms that power the creation, distribution, and administration of insurance		GRAMCOVER ACKO RenewBuy.com Smart Tech, Right Advice
	PAYMENTS	Online tools, apps and platforms facilitating the online and offline payments in the economy		Paytm BharatPe
	NEOBANK	New-age banks without any physical location, present entirely online		Jupiter Fi Niyto
	INVESTMENT TECH	Tools, apps and platforms facilitating investments (equity, debt, alternate assets, etc)		upstox KRISTAL ZERODHA
	FINTECH SAAS	FinTech related software licensing and delivery model generally licensed on a subscription basis		CREDITVIDYA Perfios HEALTHY ANALYSIS & DECISIONING SOLUTION Razorpay
LOGISTICS	LOGISTICS AUTOMATION	Machinery and logistics software to improve the efficiency of logistical processes		fleetx LOADSHARE Shiprocket
	ECOMMERCE LOGISTICS	Digital logistics platforms catering to e-commerce orders		MOEVING WIZ lets transport PORTER
	LOGISTICS MARKETPLACE	Online logistics platforms catering to on-demand requirements of B2B and B2C Customers		DELHIVERY pidge borzo

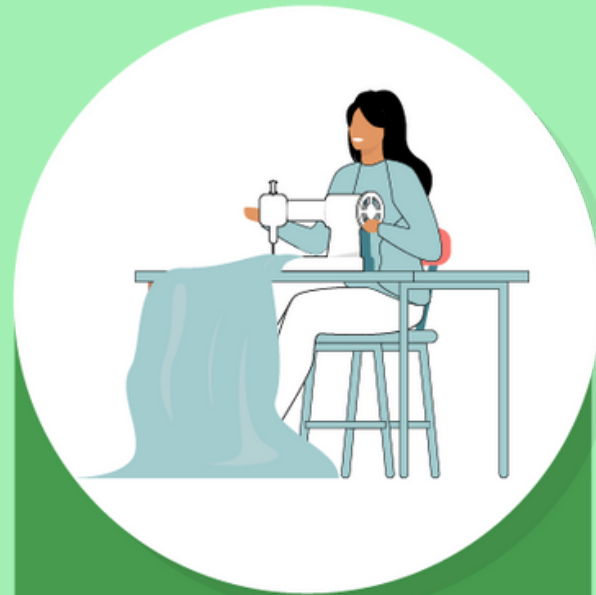
Startup Landscape | Common Sectors

FinTech and Logistics are two sectors that supports sectors across the Indian Economy, facilitating the activities of the primary, secondary and tertiary sectors

Sub Sector	Business Model	Definition	Investor Interest	Startups
ENTERPRISE-TECH	HR TECH	SaaS platforms to facilitate HR operations including hiring, onboarding, management, etc		
	LEGAL TECH	Technology platforms helping lawyers and law firms digitize processes in legal services		
	OTHER SAAS	Software licensing and delivery model generally licensed on a subscription basis		

Startup Economy | Emerging Impact Themes

Startup Economy includes direct and indirect value of goods and services delivered through new-age businesses
As a part of our startup focused vision, we track the impact startups have on the economy as well as their customers, employees, and other stakeholders. This year we are focusing on the following three themes.



Textile & Apparels

Startups are bridging gaps across production, connecting demand and supply across the value chain, thereby impacting lives of large number of MSMEs, rural & women entrepreneurs and farmers (employment to ~45 M people)



Gig Economy

Rise of the gig economy has closely followed the growth of various startups- especially fast commerce platforms (~7M people are a part of the gig economy)



B2B Logistics

Startups are connecting fleet owners with small and large businesses. Further, they are also digitizing the logistics value chain, providing greater visibility on asset utilization and enabling timely payments to drivers and fleet owners (~90% of the sector is currently fragmented)

THEME I

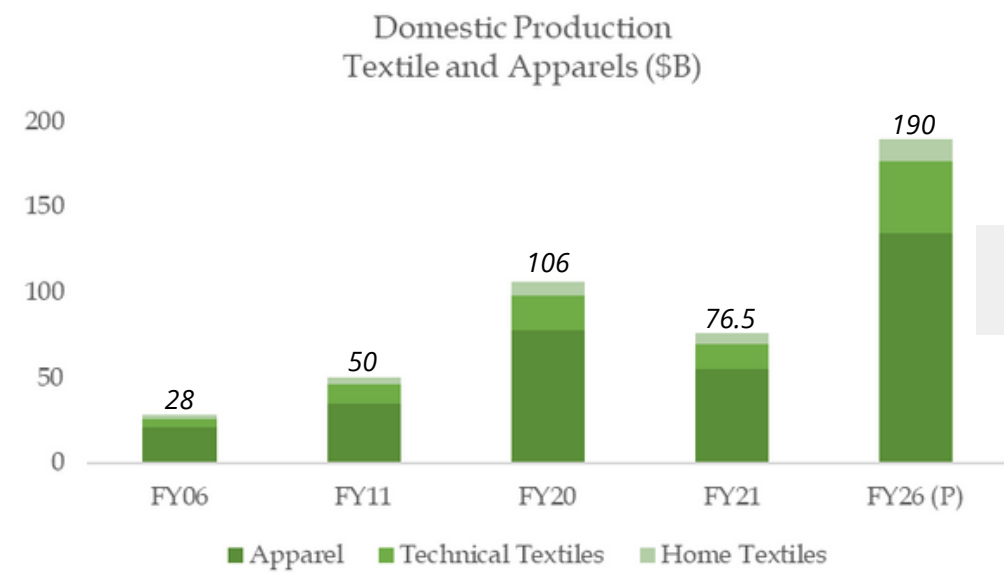
Textile and Apparels

Impact Opportunity of Startups

Job Creation, Business Models and Credit Opportunities

Textile and Apparel Industry | India Opportunity

India is a world leader in textiles and the industry impacts the lives of several millions including farmers, weavers, and manufacturing and trading MSMEs



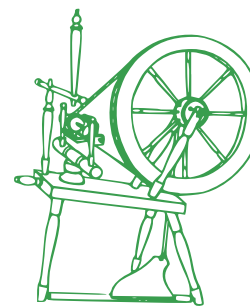
CAGR ~ 10%

13% of India's Production

Indian domestic textile and apparel market was estimated at \$75B in FY21 and is expected to reach \$190B by FY26



Contributes 2.3% to the GDP



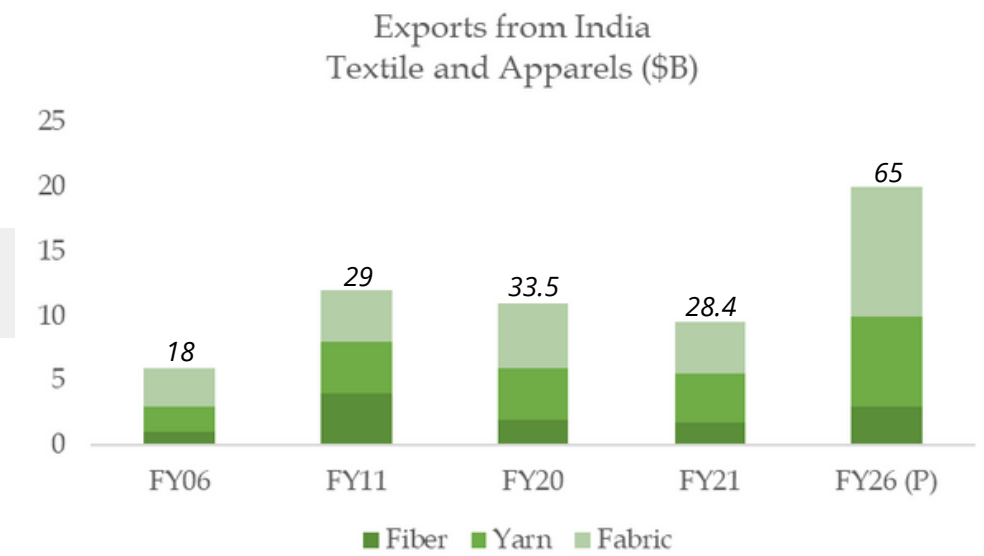
60-70% of workforce comprises of women

2nd largest employer in India

Direct employment to 5Cr people and 10Cr people in allied industries.



4% of the Global Trade of Textiles and Apparels



CAGR ~ 11%

12% of India's Exports

India's T&A Exports reached \$28B in FY21 and are expected to cross \$65B by FY26

60-70% of the manufacturing units in the Textile and Apparel sector are MSMEs
Developing MSMEs in the sector to boost exports can create an additional 1Cr jobs

Government Policies enabling Exponential Growth

Increasing Investments

- GOI has introduced multiple schemes such as-
- Scheme for Integrated Textile Parks (SITP)
- Technology Upgradation Fund Scheme (TUFS)
- Mega Integrated Textile Region and Apparel (MITRA) Park

Public-Private Partnerships

- The Ministry of Textiles commenced an initiative to establish institutes under PPP
- Flipkart and Himachal Pradesh State Handicrafts and Handloom Corporation Ltd. (HPSHHCL) signed a MoU to help the state's master craftsmen, weavers and artisans showcase their products on e-commerce platforms

Capacity Building

- Scheme for Capacity Building in Textile Sector (SCBTS) with an outlay of INR 1,300Cr from FY18-20
- Program aims at providing a demand-driven and placement-oriented skilling program to create jobs in the textile sector

Digital Integration

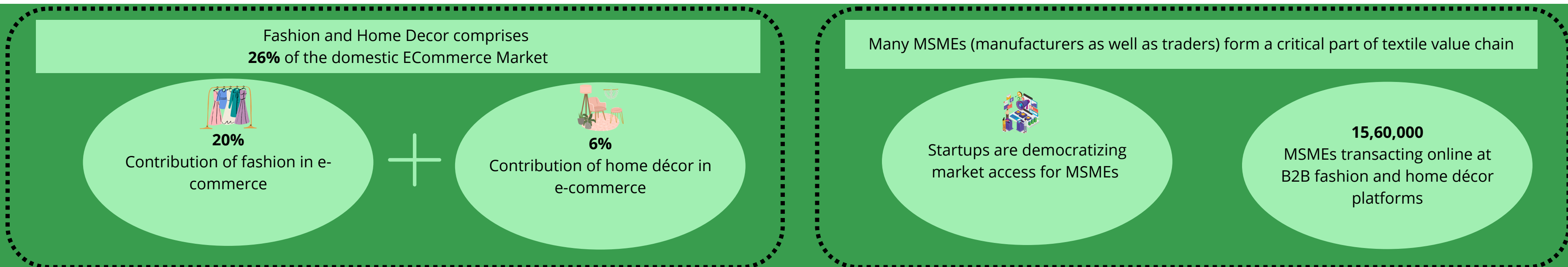
- Government e-Marketplace (GeM) enables handloom and handicraft units to sell products directly to various government departments
- As of 2021, 1.77 lakh entities have been registered on the GeM portal

Textile and Apparel Industry | Startups tapping the opportunity

Startups provide services and products for entire value chain of textiles; from tech based yield improvement, market linkages to new age D2C brands

Business Model	Solution	Prominent Startups
D2C and ECommerce	Consumer facing new-age brands and marketplaces selling fashion and home decor products to the retail customers	 Myntra  FABALLEY
Social Commerce/B2B2C	Platforms connecting the supplier communities directly with the final user through a community-commerce approach	 
B2B ECommerce	B2B Platforms connecting stakeholders in the textile and apparel value-chain in India and/or abroad	 FASHINZA <small>Manufacturing Simplified</small>  GroYO  RESHAMANDI

MSMEs form a significant part of the industry. Startups are opening up new markets for them through digital channels

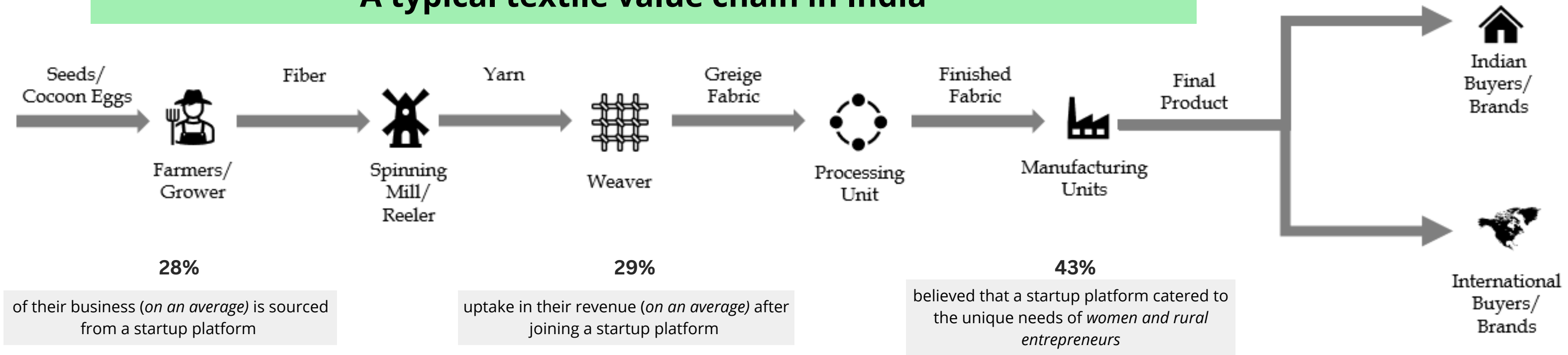


Every \$1B additional exports in apparel manufacturing can create 1.5 lakh new jobs.

Textile & Apparel Industry | Startups "embedding" the opportunity in the value chain (Part 1/2)

A typical textile value chain in India

Stakeholders working with startup platforms at each step



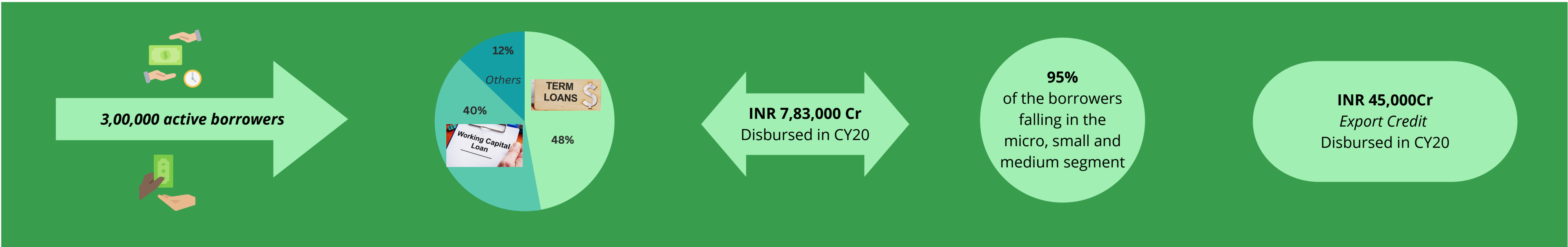
StrideOne Insights
MSME Businesses
Founders

Startup	Description	Finished Product	Geography
	Cross-border B2B Supply Chain enablement company helping SME manufacturers in the fashion and lifestyle categories across South Asia	Apparels	
	Apparel manufacturing platform, engaged in end-to-end design to delivery for brands	Apparels	
	B2B cross-border sourcing and supply chain startup for domestic and international home décor and apparel brands	Apparels and Home Furnishings	
	B2B Platform engaged in end-to-end market linkage of silk and cotton value chain	Finished Fabric	
	B2B Platform engaged in connecting manufacturers and suppliers to brands, export & buying houses	Apparels	
	B2B cross-border apparel and home décor platform that brings traditional Indian handicrafts to the international and domestic markets	Apparels and Home Furnishings	

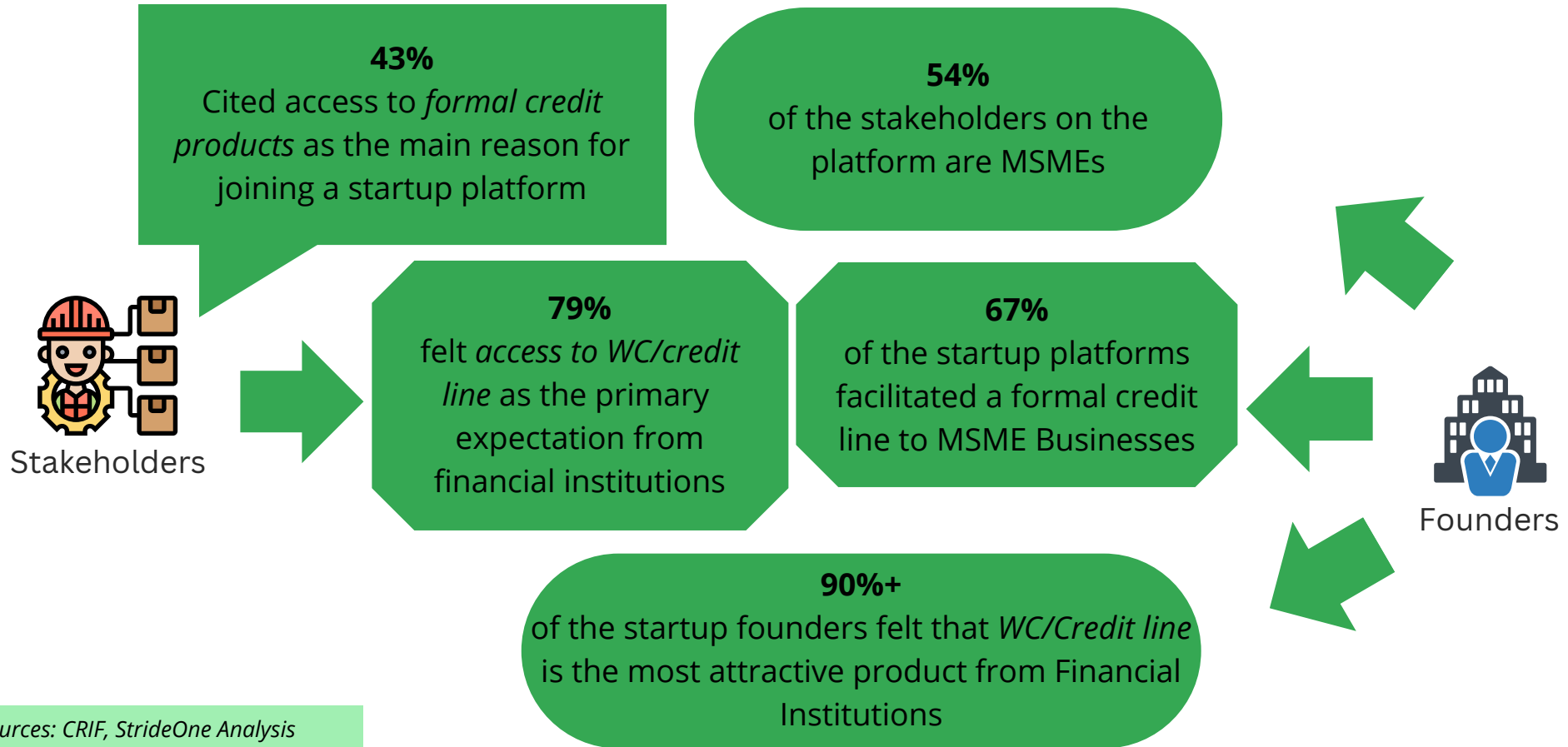
Notes: Greige fabric is the raw, unprocessed and unfinished woven fabric taken directly from a loom

Textile and Apparel Industry | Startups opportunity in the value chain (Part 2/2)

Current Credit Demographics in the Textile and Apparel Industry in India



Need for credit still exists (StrideOne Primary Research Insights)



Access to Stakeholders across the supply chain allows startups to embed financial offerings

Stakeholder	Products
Farmers	Farm Loans, Equipment Finance
Spinning Mill/ Weavers	Machine Loan, Material Loan, Credit Line
Processing/ Manufacturing Units	Credit Line Products, Sale Invoice Discounting, Purchase Invoice Discounting, Machine Finance
Brands/Buyers	Purchase Invoice Discounting, Retail BNPL

Textile and Apparel Industry | Startup Impact Case Studies

Startup

B2B platform providing linkages and IoT devices end-to-end across the natural fiber value chain

Stakeholder Penetration

Farmers: 45,000
Trade: 1 ton +
Daily active traders: 50+
IoT Deployment: 15+

Offerings and Impact

- Offerings**
- AI led disease detection & grading
 - IoT led advisory services
 - Fair market price guarantee
 - Hyperlocal sourcing hubs and market linkage

Impact on Stakeholders

80% lesser crop failure
20% have seen an uptake of more than 15% in their output capacity

B2B cross-border apparel and home décor platform

MSMEs: 2000+
MSMEs having a turnover of less than INR 50Cr: 80%
Geography of MSMEs: Tier 2-5 towns of India
Brands: 30+

Offerings

- Market Linkage of brands to local MSMEs
- Design advisory on production
- Working Capital Financing

Impact on MSMEs

46% have seen an uptake of more than 10% in their revenues
35% have seen an uptake of more than 10% in their output capacity

THEME II

Gig Economy

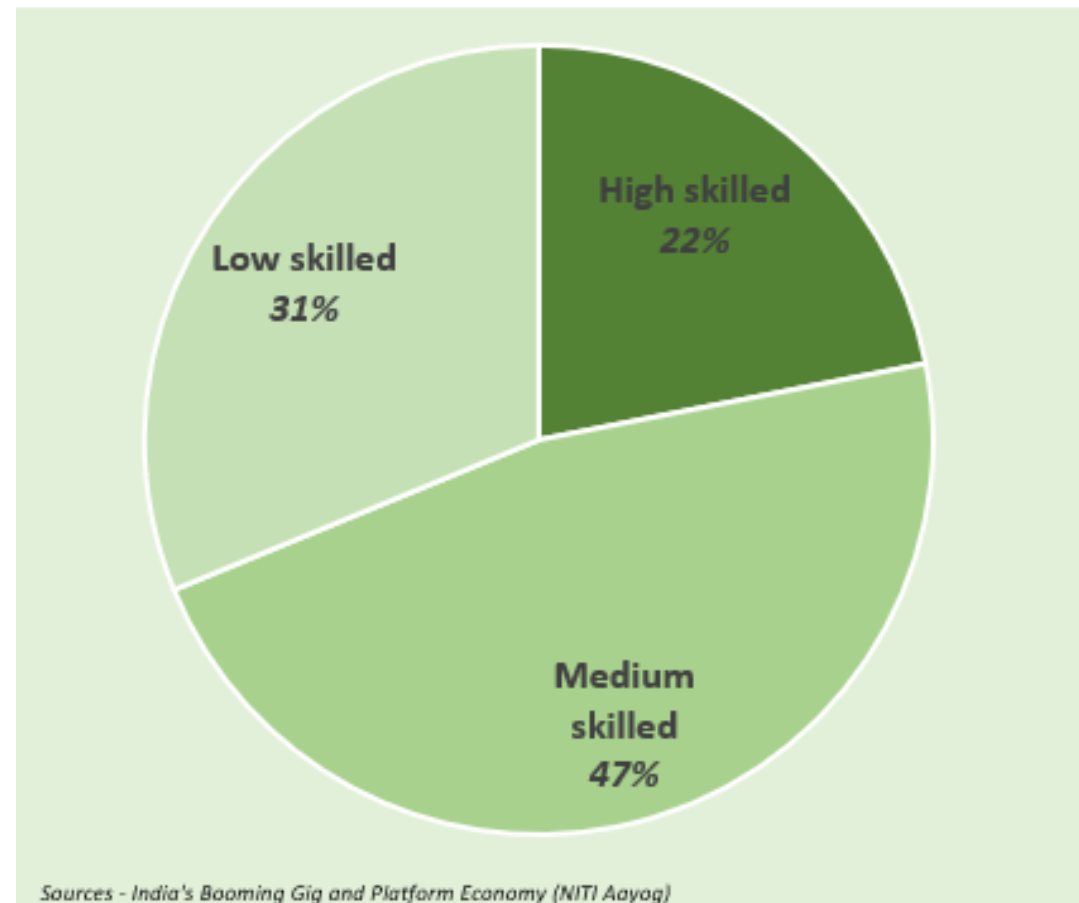
Impact Opportunity of Startups

Sectors, business models (fast commerce) and opportunity for financial products

Gig Workers | Role in the Indian Economy

In 2020-21, 8 M workers were engaged in the gig economy and constituted ~1.5% of the total workforce in India. Expected to expand to 23.5 M by 2024 constituting 4% of the workforce

Share of Gig Workers by skill category



Sources - India's Booming Gig and Platform Economy (NITI Aayog)

*Data as of 2019-20

High skilled workers include freelancers such as lawyers, designers, etc.
 Medium skilled workers includes personal care service providers such as beauticians, carpenters etc.
 Low skilled workers include construction daily workers, delivery workers.



Potential to add over 90 million jobs in the non-farm sectors of India in the long term



Over \$250 B contribution in volume of work which would add ~1.25% to the Indian Gross Domestic Product (GDP) by 2025



Majority of the gig workers are engaged in retail trade & sales which includes fast commerce (F&B, Grocery, Medicines delivery)



Penetration of online retail in 2019 was at 5% and is expected to reach 11% by 2024. This is expected to increase the potential for gig workers

Initiatives taken by the Government and Startups

Educational initiatives

- Swiggy Step-Ahead (an accelerator program)
 - Allows its delivery executives to **transition into full-time**, managerial-level jobs.
 - It is formalizing this process and intends to reserve at least 20% of all fleet manager hires for its delivery executives

Financial Inclusion

- Zomato launched **Zomato Financial Services Limited (NBFC)** to extend short term credit to delivery partners
- Ola & Avail Finance** tie-up - Offerings include lower-cost options for healthcare, institutional credit, insurance & retirement savings

E-shram portal







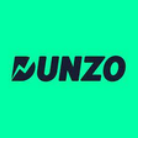





- Launched in September 2021 to create a national **database of unorganized workers**.
- Aims to extend **employment and social security benefits** to unorganized workers, including migrant, gig, and platform workers

Social Security

The Code on Social Security, 2020 has provided for framing of suitable **social security schemes** for gig workers and platform workers on matters relating to **life and disability cover, accident insurance, health and maternity benefits, old age protection**, etc.

Rise of Gig Economy in the Fast Commerce

TAM for quick commerce in India stands at about \$45 B. The market is expected to witness a 15x growth by 2025 reaching a market size of ~\$5.5 B.

Business Model	Solutions They Offer	Prominent Startups	Market Size
Food & Beverage Delivery	Restaurant aggregator platforms and centralized kitchen by restaurants/food companies	  	2020: \$3 B 2025E: \$13B
Grocery Delivery	Digital platform for customers and grocery stores where the orders are routed to specific grocery stores locally	  	2021: \$4 B 2027E: \$7 B
Courier, Express and Parcel	On-demand logistics delivery enabling same-day delivery	  	2019: \$4 B 2026E: \$9 B
Healthcare	Online marketplaces enabling same-day/quick delivery of medicines and diagnostic services	  	2019: \$0.5 B 2025E: \$5 B

Increasing role of Gig Workers in the Startup Economy



Growth of over 150% in Payments to gig workers since Oct-21 to Sep-22



Startups are limiting their hiring of permanent employees. Gig workers have begun to replace these permanent employees. The total number of enterprises who have shifted to a **semi-gig workforce model has increased by 15% since Oct 2021.**



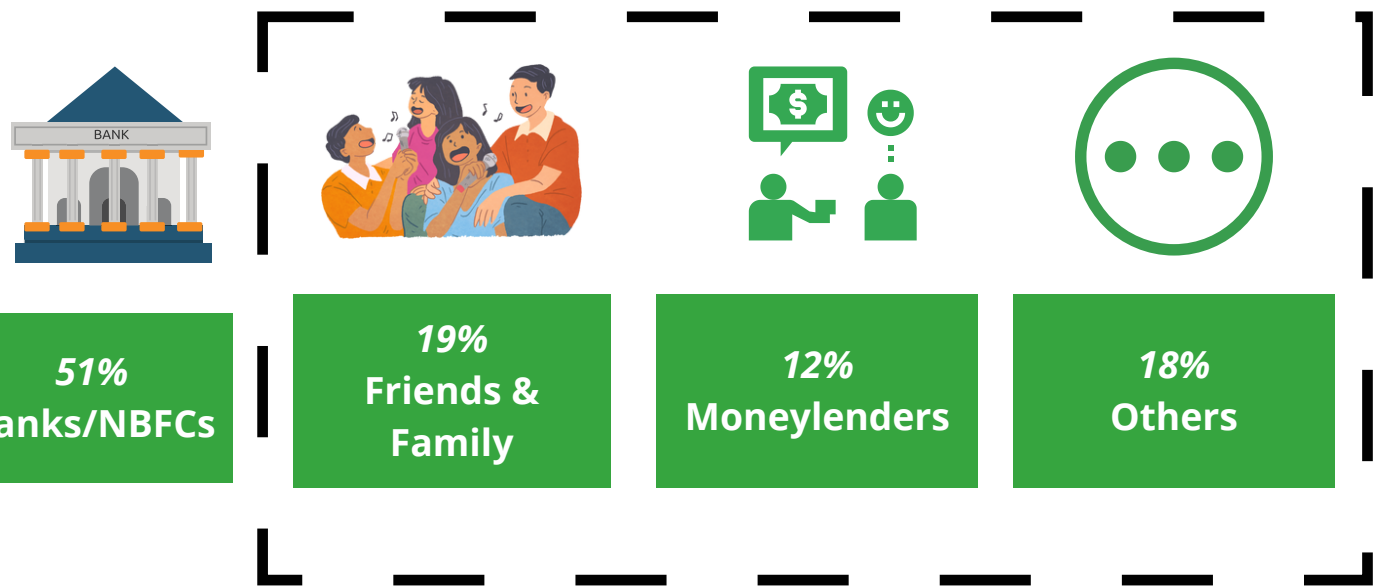
Semi-skilled gig-workers who are **paid less than INR 20k have the highest contribution** to the entire pool of gig-workers being hired by startups, followed by those who earn anywhere between INR 20-40k.

Credit Whitespace for Gig Workers in the Ecosystem

Credit Gaps

Only 19% of the gig workers own a credit card

Source of Loans



Insurance Gaps

47% of the gig workers do not have an insurance and only 7% had a life insurance

41% of the gig workers who did not have an insurance cited affordability as the main reason

Almost 60% are covered by employer provided accident insurance whereas less than 3% get any pension benefits

Current offerings

Product	Solutions They Offer
Progressive Credit Models	Progressive credit milestones are promised against worker tenures, right from micro-loans for early employees and Recurring small-ticket loans
Earned Wage Access & Line of Credit	These are generally linked to accrued & forecasted earnings
Insurance	Affordable healthcare solutions in the form of sachets to gig workers.

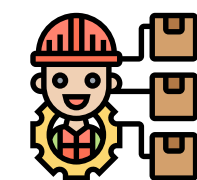
StrideOne Primary Research Results Insights



Founders

90%+ founders (fast commerce startups) reported that gig workers form more than 70% of their employee base

65% of founders believe that short terms credit products (personal loans and salary advances) and insurance are the most relevant financial products for gig workers



Stakeholders

48% of the gig workers have received access to a short term credit product from their employers (startup platforms)

At least 40% of the gig workers cited personal loan and vehicle loan as the top two relevant financial products

25% of the gig workers reported an increase of more than 50% in their monthly income as compared to their previous mode of livelihood

56% of the gig workers had a previous full-time employment

Gig Economy in the Fast Commerce | Startup Impact Case Studies

Startup

Hyperlocal Job Platform for Gig workers

Quick Commerce Startup

Offerings

Offers employment opportunities to gig workers in the the following line of business-

Offers on-demand grocery delivery and employment opportunities in the the following line of business-

Hyperlocal – Last Mile Delivery, Business Development, Invigilation, Digital – Online Proctoring, Content operations, tele-calling,

Quick commerce platform that delivers fruits & vegetables, dairy, personal hygiene, etc.

Also delivers ready to eat meals (coffee, snacks)

Stakeholder value add

Gig workers – Flexible work schedule, choice of multiple gigs, quick and timely payments, certified experience and upskilling opportunities.
Employers – Work based compensation, access to skilled workforce, end to end execution, dashboard for monitoring and analyzing task

12-hour farm to fork supply-chain wherein procurement for groceries is directly from FPO's
Optimized pick paths to track the road patterns, traffic, and logistics planning to optimize the pick and drop paths for faster delivery.

Impact / Initiatives

- Employment to 50,00,000+ gig workers across 200+ Tier I, II, and III cities
- Executed more than 3 million tasks through skilled gig partners
- During the pandemic, it enrolled 70,000+ gig partners by building new LOB like online and offline assessment and proctoring, digital gigs

- Insurance - Accidental insurance coverage of upto INR 10L, OPD Coverage, Medclaim coverage for family
- Exclusive programs for transitioning to full-time managerial roles
- Running a pilot with a FinTech for providing small loans and advance payouts
- Minimum income guarantee for all gig partners in the first week

THEME III

B2B Logistics

Impact Opportunity of Startups |
Job Creation, New Business Models and Credit Opportunities

B2B Logistics | Role in the Indian Economy

Indian Logistics market for FY21 was estimated to be \$250B and is estimated to touch \$380B by FY25.



Provides employment to more than 22M people



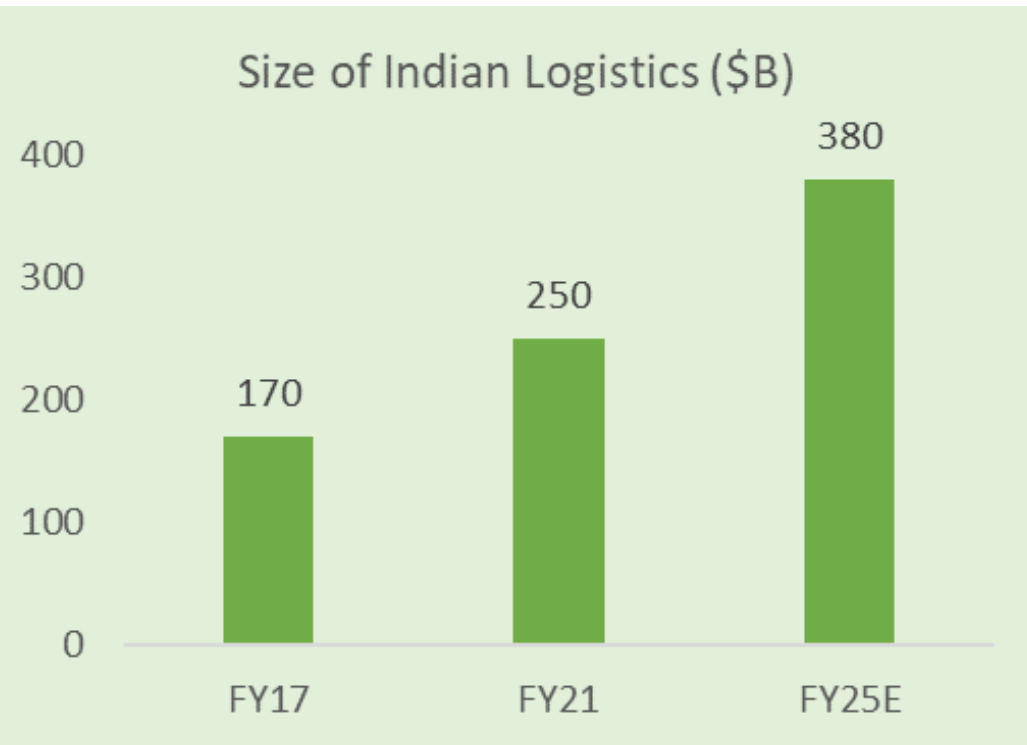
Estimated to account for more than 11% of India's GDP



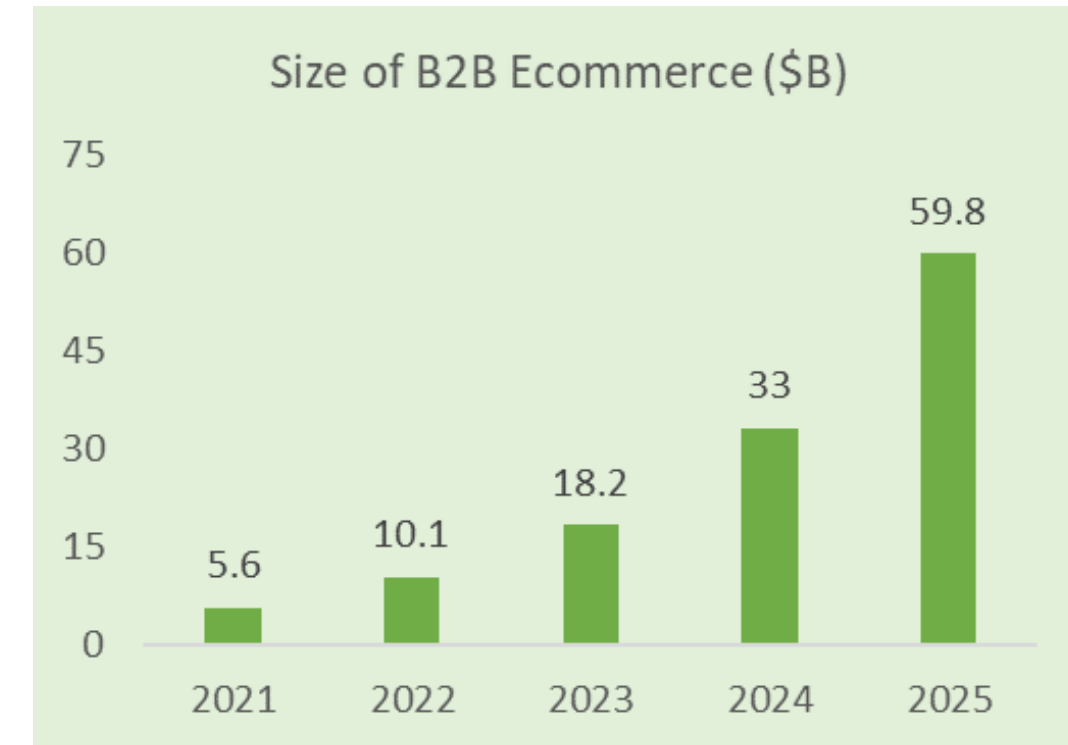
90% of Indian logistics belongs to the unorganised sector



Platformization/Digitization of this will facilitate 10% decrease in indirect logistics cost (leakage)



Indian logistics industry is expected to grow at a CAGR of 11% from FY17 to FY25



Growing B2B ecommerce is expected to boost the demand for B2B logistics

Initiatives taken by the Government

National Logistics Policy

- The goal of the National Logistics Policy is to **lower the cost of logistics** from its current 14% of GDP to less than 10% by 2022 despite the highly fragmented nature of India's logistics industry.
- The strategy will **establish a single-window e-logistics market** and emphasize developing skills, competitiveness and employment for MSMEs.

E-way Bill

- Electronic document, generated from the E-way site, that is required to be carried by a person carrying a **truckload worth more than INR 50,000**.
- Helps in the elimination of state boundary check posts and physical paperwork .

E-Sanchit

E-Sanchit platform allows importers and exporters, the facility to lodge their **clearance documents online at a single point**.

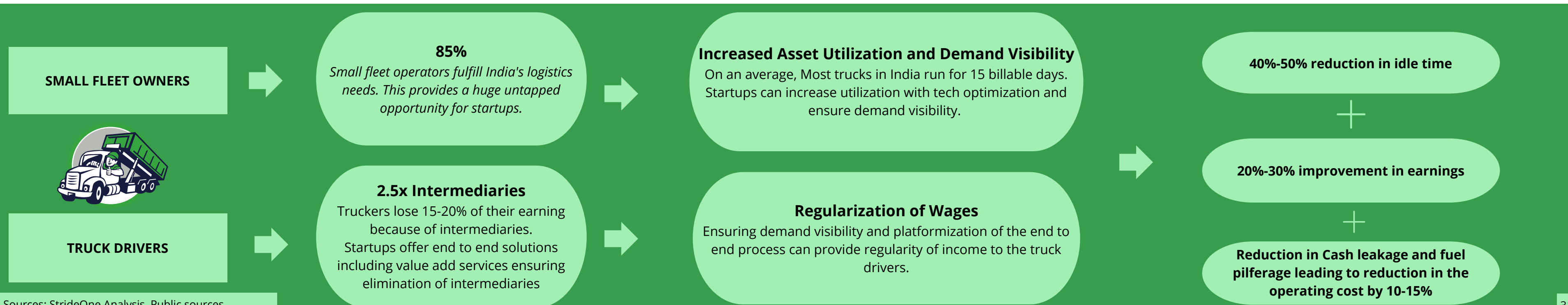
GST

- Prior to the GST regime there was a **system of checkpoints** for state taxes, local body tax, entry tax etc. causing **added transit time** and hassle for service provider.
- GST has abolished that hurdle completely.

B2B Logistics | Role in the Startup Ecosystem

Business Model	Solutions They Offer	Prominent Startup	Market Size
Logistics Service Provider	Includes freight forward service providers, 3rd and 4th party logistics service offerings. End customers include manufacturers and retailers.		<p>The size of the Indian logistics market was around \$250 B in FY21. It is estimated that this market would grow to \$380 B by FY25, at a CAGR of 10%-12%</p>
Carriers	Trucking, rail, freight, sea freight and air freight companies. End customers include logistics service providers		
Courier, Express and Parcel	Offering inter-city and intra-city courier/express/ parcel services. End customer includes retailers, manufacturers and other companies		

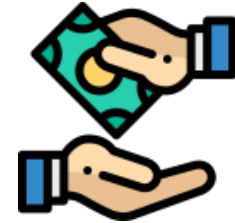
Impact of Digitization and Platformization on Stakeholders



B2B Logistics | Current Financial Gaps and Offerings



Lack of credit access to fleet owners and truck drivers due to income instability



Need for advance payments for the shipments being done but the invoice gets paid only once the stock has reached the destination



At least 40-45% of the trucks are not insured



Founders

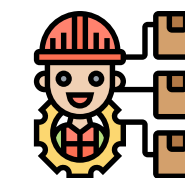
90%+
of the founders reported that *at least 50% of fleet owners on their platform are small fleet owners (own less than 5 trucks)*

70%
of the founders believe that *structured demand visibility is the most important value-add for their fleet owners/drivers*

80%
of the founders believe that a structured and trusted supply of trucks is the most important value-add for their customers (load owners).

76%
of the founders believe that personal and vehicle loan are the most important financial product for the drivers/fleet owners.

62%
of the drivers/fleet owners have seen a positive impact on their monthly income after joining the startup platform



Stakeholders

25%
of the fleet owners have added at least 1 truck to their fleet in the last two years

Current Offerings

Product

Solutions They Offer

Working capital loans

Overdraft facility, Short term WCDL,

Customer Financing

Financing is offered to the customers of the logistics companies

Receivable Financing

Covers B2B Accounts-recviable

Employee Advance

Upfront advance to the drivers for the trip cost

B2B Logistics | Startup Impact Case Studies

<p>Startup</p>	<p>Aggregator of Commercial Vehicles</p>
<p>Offerings</p>	<p>Aggregator of commercial vehicles and last mile logistics service provider</p>
<p>Stakeholder value add</p>	<p>Improvement in delivery timeline and delivery efficiency Automation of the end to end logistics process 24x7 service & Monitoring of delivery through live status</p>
<p>Impact / Initiatives</p>	<ul style="list-style-type: none"> • 30% improvement in the delivery timelines and fulfilment • Financing programs for their vehicle riders • Partnership with fintech players for providing credit solutions

<p>EV Startup offering Fleet Services</p>
<p>Electric mobility platform offering fleet services for B2B and D2C players</p>
<p>B2B Customer - Real time visibility of order fulfilment Drivers and Fleet operators - Constant flow of income and access to financing solutions</p>
<ul style="list-style-type: none"> • More than 1,000 jobs created • Aim to reduce pollution by 10,000 M tonnes of CO2 • Provide drivers and small fleet operators access to affordable and cost competitive financing

About StrideOne

StrideOne is a tech-led financial services platform for startups. The NBFC focuses on providing end-to-end digitized and smartly designed customized financial solutions to MSMEs and supply chain partners of startups (anchors). This enables a win-win distribution model that provides access to intelligently customized growth capital for MSMEs and also enables risk-efficient penetration into untapped borrower segments.

StrideOne and Stride Ventures together deliver a financial ecosystem-level partnership to startups, by offering both debt funding and strategic financial solutions. StrideOne specially powers shared growth for the startup ecosystem, through its supply chain financing and embedded finance solutions. As it supports value chain partners of Indian startups like MSMEs with access to credit. Thus, ultimately enabling inclusive growth and a robust supply chain.

This report will further highlight the impact made and inclusivity enabled by startups, by leveraging financial ecosystem-level partnership delivered by Stride. In line with our startup-focused vision, we have begun tracking the impact startups have on the economy as well as their customers, employees, and other stakeholders. We will be launching 'The Startup Economy Report' every year highlighting business models, startups and innovations which are impacting the Indian economy in a significant way.

Thank You

Feel free to reach out to us if you have any questions

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