

Investors get set and go for city startups

₹215 Cr Infused In 1st Half Of 2016

Kalpesh.Damor
@timesgroup.com

Ahmedabad: Finally, Ahmedabad is making a mark on the startup map of India with city-based entrepreneurs grabbing the attention of angel investors and venture capitalists (VC). This is evident from a dozen deals involving startups in 2016.

The city drew angel and VC investment of over Rs 215 crore in 11 deals in the first half of 2016. The activity seems consistent because twelve deals worth approximately Rs 220 crore had taken place in the same period last year — as revealed by data provided by News Corp VCEdge, which monitors risk capital data.

However, industry players say that the number of deals could be higher than 11. In the biggest capital infusion this year, Lendingkart Technologies Ltd, which provides finances to small and medium enterprises (SMEs), raised Rs 205 crore from venture capitalists in the second round of funding. Other startups from the city that have received funding include Colledgebol, Matrubharti Technologies, Smytten and Ninth Ray Household Services Pvt Ltd.

“The angel and seed funding in Ahmedabad-based star-

tups is certainly picking up,” said Sharvil Parikh, principal advisor, KellyGamma Advisors LLP, which has invested Rs 1 crore in college reviews and rating startup ColledgeBol through its KellyGamma Fund One. “The environment for startups has been good for quite some time and it will continue to improve. There is an appetite for funding in good ideas,” Parikh said.

Although Bengaluru continues to be favourite base for startups, a recent report by startups analysis firm Tracxn states that cities like Ahmedabad, Chennai, and Jaipur are becoming startup hubs. “Ahmedabad is a great place to launch a

startup mainly because of cost and efficiency advantages,” said Siddharth Nangia, co-founder of Smytten. “The infrastructure is good. Right from office to warehousing space, the cost is lower compared to that incurred in Mumbai’s outskirts or Gurgaon.” The online platform for premium lifestyle products and services has recently raised an undisclosed amount from Google India head Rajan Anandan. In order to build a robust startup ecosystem in Gujarat, the state government has come up with startup policies for technology and manufacturing, offering a slew of incentives. “The recent deals are a reflection of the fact that there is talent as well potential and investors are open to looking at Ahmedabad,” said Vibhuti Channa, director, Viridian Ventures.

