The Economic Times
STARTUP AWARDS 2017

A QUICK HUDDLE BEFORE THE SHOW
(From left) Infosys cofounders Nandan Nilekani and NR Narayana Murthy

LEADING LIGHTS
(Clockwise from left) Ravi Shankar Prasad and Piyush Goyal; Ganesh Nayak and Klaas Oskam; Manu Kumar Jain and Anurag Jain; Manish Sharma and Lizzie Chapman; Naveen Tewari and Ritesh Agarwal

STARTUPS WERE THE STARS, BUT…

All Eyes were on Murthy

Infosys was on everyone's lips on an evening that had NR Narayana Murthy in its midst

Our Bureau

Bengaluru: All eyes were on India's most-storied tech entrepreneur, Infosys cofounder NR Narayana Murthy, at The Economic Times Startup Awards. The day had been rocky with Infosys' first external chief executive, Vishal Sikka, quitting amid unceasing tensions with the 'promoter' camp. Murthy didn't betray any anxiety over it.

The 71-year-old looked dapper, was relaxed and congratulated the young gathering. He and another Infosys cofounder, Nandan Nilekani, were exchanging notes with the Union minister for Information Technology, Ravi Shankar Prasad.

The three, along with select investors and startup founders, caught up at the exclusive winners' lounge, minutes before the curtains went up for the third edition of the Awards at The Leela Palace. Inside the lounge, it was all bonhomie and camaraderie with Prasad, one of the chief guests, enveloping Murthy in a warm bear hug as soon he entered.

Moments before, Murthy commended Nilekani's memory as the former chairman of UIDAI reeled off figures while introducing him to Ajit Isaac, chairman of Quess Corp, which had a blockbuster IPO last year, and V Vaidyanathan, the chairman of Capital First, which has a loan book of ₹20,000 crore.

In the room, there wasn't a hint of Murthy's fallout with the Infosys board. That didn't stop the entrepreneurs, investment bankers and investors present outside from discussing the hot subject through the evening.

Like this dilemma we posed to the cofounder of a former ET Startup Award-winner: do you empathise with the Infosys founder or the chief executive who resigned. "I know I am a cofounder, and Murthy is an icon. But in this case, I think the CEO got a raw deal," he said on the condition of anonymity.

Another consultant also added: there is a board, which the promoter must trust instead of washing dirty linen in public.

DIVIDED HOUSE

While one cofounder felt that the former CEO Vishal Sikka got a raw deal, another consultant said the promoters must trust the board instead of washing dirty linen in public

The investment bankers present were tied. One bunch felt Sikka had been aggressive, even rash, considering Infosys was a services company. The other side pointed to the merits of such an approach if the company has to be transformed in the long term.

There were questions, many at the event wanted to ask Murthy on the contentious subject. Only one person did, and Murthy had the last laugh when the evening's moderator came forward to ask him this: Who is the better actor? Deepika Padukone or Priyanka Chopra? In a heartbeat, the Infosys cofounder said Deepika, because "she is a Bangalore girl", as everybody burst into laughter.

LOOKING FOR ANSWERS
(Left) Accel Partners' Prashanth Prakash (Right) FreeCharge's Kunal Shah

Startups Should Adopt 10-20 Villages: Prasad

Digital India is designed to bridge the digital divide between the digital haves and the have nots. Therefore, the govt always says that digital inclusion is very important

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While the government is taking the lead on creating the digital infrastructure for the country to leapfrog, it also requires industry, especially the young innovative startups, to pitch in – this was the sentiment echoed at a panel discussion at the ET Startup Awards function where **Ravi Shankar Prasad**, the minister for electronics and IT, law and justice; and **Piyush Goyal**, the minister for power, coal, renewable energy and mines explained the government's position while also taking questions from startup founders. While Prasad urged startups to come up with innovative ideas for virtual health and education for villages, Goyal asked them to help the government design its Skill India mission in line with the industry's requirements. ET NOW's chief editor **Supriya Shrinate** moderated the discussion. Excerpts:

You spoke about innovation going to lead India into the next century. Is the government's idea also to bridge the social equitable divide through startups?

I would urge each one of you to come up with ideas, help us design training programmes, skill development programmes suited to the requirements of the industry

PIYUSH GOYAL
Minister for Power, Coal, Renewable Energy and Mines

Goyal: I think a very important dimension came out in yesterday's (August 17) interaction (of the prime minister with startups) that government does not have a monopoly on ideas. In fact, the government certainly has restrictions on their ability to come up with good ideas and to implement good ideas as well. And we believe that the more the youngsters in this country are given an opportunity to engage with the government, business, masses, they will be able to truly connect new ideas with the needs of the society. The youth of India have the ability to bring about the change that we all want in our country, and we can, at best, play the role of a facilitator.

Prasad: Digital India is designed to bridge the digital divide between the digital haves and the have nots. Therefore, we always say that digital inclusion is very important.

Mukesh Bansal (Myntra cofounder): You talked about Digital India and how important the whole digital infrastructure is. A lot of people have access to 3G, 4G, but in many pockets of the country, data connection is still not very good. So from the government side, what all things are you working on so in 2022 we will be ready with hopefully 10 times or more bandwidth – not only in big cities but all of India?

Prasad: For two years, I was handling the communication portfolio also. Let me give you one straightaway statistics. The National Optical Fibre Network was a programme started in 2011, called as NOFN, designed to link 2,50,000 gram panchayats with an optical fibre network. When our government came to power in May 2014, only 358 kilometres of optical fibre had been laid in three years. You know how much we have laid in three years? It is 2,10,000 kilometres. That is the speed and the scale on which we work. About 1,00,000 gram panchayats have been linked, I would say by the middle of 2018,

we are going to link (the rest). But my request to all of you is that if the optical fibre is already there, I want new startups to come up with new ideas, pick up 10-20 villages for digital education, for digital health.

I would urge all the big startups sitting here to think on that line. By this year-end, we are going to launch 1,000 digital villages which will be smart villages powered by a dynamic collector. And the idea is to have solar power, where I have requested Piyush to work closely with me. Then virtual classroom, virtual health room. That is how we are changing the whole digital infrastructure.

Ritesh Agarwal (OYO founder): Companies like ours, like OLA and so on, which are online-to-offline companies, need a large volume of people who get trained and then recruited through our platforms. How can the government help us source a lot of these people who need employment? While we are willing to fund the training of it, how can the government help us train them so that they can eventually get recruited and become a part of the financial economy?

Goyal: Our government's understanding of the global shift in employment is that with more and more artificial intelligence, new technologies coming in, the nation will have to move away from organised labour or large-scale factories giving you proper jobs or government jobs to job creation by startups and newer businesses, new ideas. In fact, through the Mudra Scheme (to of-

My request to all of you is that if the optical fibre is already there, I want new startups to come up with new ideas…

RAVI SHANKAR PRASAD
Minister for Electronics and IT, Law and Justice

fer loans to small businesses), we believe we will be able to promote more and more people to become entrepreneurs and become job creators rather than job seekers. The point is very well taken that even today you try to get somebody for a job, maybe a carpenter or a mason, we find it very difficult to get a trained, competent person. Therefore, Skill India has been one of the pivotal movements that Prime Minister (Narendra) Modi has focussed on. We are trying to give it scale and we are trying to improve the facilities that are provided for skill development. But frankly, I feel we will not be able to do it alone. I would urge each one of you to come up with ideas, help us design training programmes, help us design skill development programmes suited to the requirements of the industry or business. Singapore does that. They actually map out how many people are required in every profession, right down to the last digit. So they may calculate that they will need 2,118 sales boys for the retail stores and that is how they do the training programme for that. We really invite you to participate in the Skill India mission.

(From left) Binny Bansal and Rajan Anandan

…the Winners in the Limelight

STARTUP OF THE YEAR
Sriharsha Majety, Rahul Jaimini and Nandan Reddy of Swiggy get served their award from Ravi Shankar Prasad

We just turned three (years old) a few days ago, so this award is a great birthday present

SRIHARSHA MAJETY, CEO

TOP INNOVATOR
Arun Chandru of Pandorum Technologies receives an award boost from Ravi Shankar Prasad

This award has strengthened our resolve to develop high-end innovations for the benefit of masses

ARUN CHANDRU, cofounder

TOP INNOVATOR
Anand Anandkumar of Bugworks Research humbly accepts his award from Ravi Shankar Prasad

The business narrative is predominantly dominated by tech. So, it is heartening to see ET giving a platform for science

ANAND ANANDKUMAR, CEO

ET FACEBOOK WOMAN AHEAD
Falguni Nayar of Nykaa receives her prize from Ankhi Das and Piyush Goyal

For years, women have allowed themselves to be the support system of the family. I now want women to dream big

FALGUNI NAYAR, founder

Women need to 'lean in'. I feel there is no glass ceiling and women can do more. I come from that philosophy
FALGUNI NAYAR

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I think the Startup of the Year Award has come of age and has become a big badge of honour for startups
MUKESH BANSAL

THE FRONTBENCHERS
(LEFT) Rajan Anandan, Sachin Bansal, Nandan Nilekani, Falguni Nayar and Naveen Tewari. **(RIGHT)** Pranay Chulet, Priya & Sachin Bansal

Digitally-rich Before Economically Wealthy, India will See Trickle-up Growth

India's leading entrepreneurs agree that doing business has become much easier now and entrepreneurs need to take advantage of the favourable environment that allows for the easy creation of wealth for all

As India's startup sector pads up for its next phase of growth, some of the country's top entrepreneurs and investors took the dais at The Economic Times Startup Awards to discuss a burning issue—'Growing Pains: Managing Culture, Scale and Returns.' The panel comprised Nandan Nilekani, cofounder of Infosys and the architect of Aadhaar; Naveen Tewari, CEO, InMobi; Falguni Nayar, CEO, Nykaa; Sachin Bansal, executive chairman, Flipkart; and Rajan Anandan, vice-president, South-East Asia and India, Google. The discussion was moderated by Archana Rai, Editor-South, The Economic Times. Excerpts:

From being one of India's most celebrated entrepreneurs, Nandan, you are now also a very influential investor. What are you telling your investee companies about what it takes to scale a company?
Nandan Nilekani: I go back to the lessons we learnt at Infosys with (NR Narayana) Murthy and my other colleagues. It is important to have a great team, a team of people with complementary skills at the same time. All the people should have a common value system and need to have the same sense of deferred gratification. Because building a company is, as Murthy said, a marathon. It is not a sprint. You must be willing to forgo rewards for many years, if required, to get the rewards 10-15 years down the line. Then, of course, you need to have wonderful vision and execution.

How receptive are entrepreneurs when you speak of culture, especially when speed is of the essence?
Nilekani: I do not think anybody is implying that you sacrifice speed. They are not opposing things, and that is why I prefer to work with entrepreneurs who want to run marathons, who want to build big companies. If they really have a vision to do something great and transformational, they are the kind of people I support.

Sachin, you have spoken constantly of the need for regulation that supports businesses launched in India. Do you think this is an important part of building scale?
Sachin Bansal: If India has to become a developed country and we have to become leaders in innovation and technology, entrepreneurship is the way to go. There are multiple examples of countries using entrepreneurship as the engine of growth or job creation, and coming out of poverty. That

"There are multiple examples of countries using entrepreneurship as the engine of growth or job creation, and coming out of poverty. That engine needs to be nurtured"
SACHIN BANSAL
Executive Chairman, Flipkart

engine needs to be nurtured.
There are, sometimes, areas where Indian entrepreneurs and companies tend to be at a bit of a disadvantage compared to their global counterparts. What we need to do is, create a level-playing field for Indian entrepreneurs so they will be able to use their capabilities and investments to the maximum extent and create impact for customers.

Falguni, what do you think a founder has to do to scale a company?
Falguni Nayar: I think the Nykaa story has been one of a huge consumer connect. We are really proud of the fact that we connect with our consumers not just at their need level of wanting to buy beauty products but also how they think of themselves, how they would like to see the society, and what matters to them.

Rajan, as one of India's most prolific angel investors what do you consider a metric of startup success?
Rajan Anandan: The success of a startup depends on the life-stage. Success happens when you get three things right. You need to have a team built out... that can take care of the company for several years. Second, you need to have found a product-market fit. That is quite hard. It takes several years to get the product-market fit right. Third, there should be enough traction to give the company sufficient runway to go for several years or to get to the next level of funding.
Naveen Tiwari: Companies are all about

building something that is sustainable and scale is clearly one of the big metrics of sustainability. (Building companies) is an ultra marathon. The other way to think of it is like a test match. You cannot play a test match with T20 batting.
(Entrepreneurship) is about building something sustainable. You need to do things systematically, whether it is the vision, which may evolve as time goes on, your strategy, which needs to go along with the very basics of execution, having financial prudence, or being able to generate capital. There is no shortcut to (making profits). You have to work session by session. We (InMobi) are probably in day one still (of a five-day cricket test match), third session, and I think we are doing well...

When you look at countries like China or Ireland, there is a lot of effort there to support growth-stage companies. In India, the government has done a lot but seems focussed on providing early-stage support...
Anandan: In the last two or three years, I do not think any government anywhere else in the world has done what this government has for startups.
We used to be able to hire the top 1% at universities in India and now it is a challenge because the top 1% wants to be like Sachin, Binny (Bansal, Flipkart cofounder) or Naveen. They do not want to work for a Google or another big brand. I think that is because of the success of Flipkart and InMobi and other startups in India.

This year, we are seeing money come in but mostly from large overseas investors, and therein lies a risk. Is there a

problem for Indian startups because we do not have sufficient domestic capital?
Nilekani: The fact that global capital is coming is very refreshing because they are able to take these big bets. I am not sure if Indian capital has the appetite for this approach because, in some sense, this capital-spending is based on a winner-take-all kind of model where you rapidly get market share and then go towards profitability. There is a certain mental model not historically practiced in businesses in India. But I can see that certainly at the startup and scale-up level, there is a lot of Indian capital now willing to invest.
I want to add one thing. We have all been talking about this, that we will get more business as per-capita GDP grows. That is in some sense saying that as people become

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NANDAN NILEKANI
Cofounder, Infosys

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RAJAN ANANDAN
VP, South-East Asia & India, Google

richer, they will be able to purchase more. But there is something happening in India that we need to recognise– that Indians will be data-rich before they are economically rich, thanks to everybody having smartphones, sensors and so on. So, suddenly, an individual has a digital footprint that is far more than the wealth he has. Therefore, the business models that will emerge in India will be those that allow people to take their digital wealth and convert that into economic wealth, and that is the trickle-up. It is not trickle-down. The big story is not just replicating a trickle-down kind of business model but using data to raise the quality of life for a billion people.

For full transcript log on to
www.economictimes.com

NOTHING OFFICIAL ABOUT THESE...

SoftBank Bonding

When Sachin Bansal, the co-founder of Flipkart walked off the stage, Ritesh Agarwal, the founder of OYO Rooms got up to greet him, shook his hand and said: "Great talk and advice! I need to call you." Bansal smiled politely. Agarwal followed him out for a quick word. The two entrepreneurs share SoftBank as a common investor.

The Cradle Gets its Due

FACEBOOK DIRECTOR Anand Chandrasekaran was also overheard extolling Dr Ashok Jhunjhunwala's role in making IIT Madras a cradle for new-age technology companies. Jhunjhunwala is currently the advisor to the ministry of power, coal, new and renewable energy to chart India's roadmap to being a 100% electrical vehicle nation by 2030. Companies nurtured at IIT-Madras have featured strongly at the ET Startup Awards.

Aadhaar a Big Boost for Financial Services Firms

The Narendra Modi-led government is having substantial impact on startups, particularly with Aadhaar boosting growth for financial services companies, Capital First chairman V Vaidyanathan said in closing remarks at The Economic Times Startup Awards on Friday.
"The penetration of Aadhaar among the country's population coupled with the use of artificial intelligence has created a system where it is now possible to evaluate a customer within seconds and give him or her a loan," he said. "This has been a major factor in driving the quick growth of organisations like ours."
Capital First is a non-banking financial institution that specialises in providing debt financing to small and medium entrepreneurs.
India has firmly stepped up to the plate for the startup revolution, Vaidyanathan said, adding that factors such as ease for doing business, quality of labour, technology-readiness, availability of venture capital, and quality of life are differentiating factors for cities seeking to project themselves as startup-friendly.

COMEBACK KID
Amarendra Sahu and Jitendra Jagadev of NestAway get their trophy from Piyush Goyal

The glitter of hope never dies. An entrepreneur never fails. An entrepreneur just tries and re-tries
JITENDRA JAGADEV, cofounder

BOOTSTRAP CHAMP
Paras Chopra of Wingify lands an honour from Capital First executive chairman V Vaidyanathan & Piyush Goyal

We really want to win startup of the year award, and not just in bootstrapped category. Hopefully that day will come soon
PARAS CHOPRA, founder

SOCIAL ENTERPRISE
Vivek Rajkumar of Aibono reaps the harvest as he receives the award from Ravi Shankar Prasad

I'd like to thank ET for bringing agri businesses to the limelight and to make agriculture cool
VIVEK RAJKUMAR, founder

BEST ON CAMPUS
Karthik R, Harikrishnan AS & Daniel David of DeTect beam with pride as they take their prize from Piyush Goyal

This wouldn't be possible without support from IIT-Madras...this ecosystem must prevail to nurture startups
DANIEL DAVID, CEO