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Tweet OF THE DAY



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Using 'ethics' as the way to describe 'AI bias' is often a category error. Bias in the data might apply to human diversity but it might also apply to machine tools, pressure sensors or cellular base station planning

Tech Buzz
Google Pays Women more for this Job



Washington Google is paying more to women employees than men in 'Level 4 Software Engineer' category, according to an internal study. The men in this category were paid extra compensation to make reparations for gender bias against them. "To correct for what Google deemed as gender bias, it provided \$9.7 million in adjustments to 10,677 Googlers (around \$908 per person)," the report said. —IANS

Quick Byte ANIRBAN BORA

Facebook lets anyone view your profile using your phone number

123481
89780

Wrong number

50 million
Signed up for Electronic Arts' Apex Legends video game in 1st month

Cybage Plans to Hire 1000, Add 2 Centres

Pune IT firm Cybage said that it would hire up to 1000 people over the next 18 months. The firm grew at 17% last year, according to chief executive Arun Nathani. "We are adding two new facilities in Pune and Gandhinagar. We have been growing headcount at 10% and will add about 600 people this year," he said. Currently, Cybage has 5800 employees across three cities in India. — Our Bureau

Jargon Buster
Automagically
A term used to describe processes that are too complex to be explained easily. It is used to describe tech that function in a way that is difficult for non-experts to grasp

Raising Funds is Easy, not Hiring, Retaining Staff



Small startups struggle to get people on board as they question their prospects; they also can't match fat cheques of big cos

Ventures and Matrix Partners have teams to help their early-stage portfolio companies across different functions, with a focus on hiring.

"When you hire for a young company, you are pitching as much as the interviewee, and the first question asked is — are you funded? If yes, how much," said the founder of a B2B startup who has raised \$1 million in investor capital. "Sometimes having a marquee investor name helps, but most times it is the amount of money raised that matters."

Another challenge founders cite is the large pay cheque some of India's well-funded unicorns are willing to dole out, which the fledgling startups find difficult to match.

The scepticism towards joining startups comes after the 2014-2015 go-go years when hiring from top colleges and consulting companies was at an all-time high. Over time, the sentiment has taken a hit with some of these startups either downsizing or shutting down, and some employees flagging cultural issues, these founders said.

"An in-demand product manager would get a three to four times higher package at companies like Ola, Swiggy, Flipkart and Amazon today. Why would they join someone early," asked the founder of an early-stage consumer Internet company. "I find doers who can execute and not think of them long-term, because at an

early-stage experimentation is key. Over time, as I scale, that's when I will hire seasoned executives."

Reiterating the sentiment, Amit Singh, CEO of bus aggregation platform Shutt, said: "Today, hiring data scientists and engineers has become very tough since there is a supply-demand problem. And when unicorns hire quality talent, they pay them largely more, making it tougher for lesser known startups to get the right folks," he said.

"Employee stocks don't matter to most people I interview. The deciding criterion is always cash in hand. This is also because most startups haven't held up their end of the bargain of providing employees liquidity barring a few unicorns. Now ESOPs are good to have, not a must have," said an entrepreneur who founded a financial technology company.

According to Kamal Karanth, co-founder of Xpheno, a specialist staffing venture, seed-funded startups generally are stringent on their hiring budgets and they want similar talent courted by well-funded startups, which are from premier engineering institutes like IITs. "These startups become less attractive for techies who think their risk is not mitigated by the pay cheque that they draw," he said.

Much of the hiring is centred around founders' availability and priorities, which makes the time spent on the process longer, experts said. Further, they expect the same passion, and entrepreneurial attitude towards the job. Besides, entrepreneurs also say that the ecosystem is still nascent in terms of experienced talent. "There have not been many exits or IPOs for people to learn and experience the challenges. Someone who has grown with a successful startup would have a maximum experience of 6-8 years. So, the availability is quite limited," said Shutt's Singh.

THE CARROT

Employee stocks don't matter to most people I interview. The deciding factor is always cash in hand. Now ESOPs are good to have, not a must have

FOUNDER OF A FINTECH CO

Most startup founders that ET spoke to said they spend about half their time hiring, and also spend up to 20% of their time on legal and other functions comparatively easy.

Aditi Shrivastava & Sanghamitra Kar

Bengaluru: India's startup founders are finding hiring of executives and retaining talent the biggest challenges for their young companies, even after raising early-stage funding from top venture capitalists. With prospective employees being doubtful about the long-term prospects of the startups, getting people on board in the initial phase is tough, they say. Hiring technical and R&D talent is among the most arduous tasks for startups, venture capital fund Accel Partners said in a recent report. This is followed by hiring in marketing and product management, it said, after analysing data from more than 250 startup entrepreneurs. The report, titled Startup Pulse 2019, said a majority of these startups found recruiting for operations and other functions comparatively easy.

Piggybank A roundup of top funding deals of the day

SoftBank Fulfils its \$350-m Promise Made to Delhivery

Investment puts logistics firm on list of startups with billion-\$ valuations

Biswarup.Gooptu @timesgroup.com

New Delhi: SoftBank has completed its investment in logistics major Delhivery, having put in about \$350 million into the Gurgaon-based company, in the process catapulting it into India's growing list of startups with billion-dollar valuations.

According to documents filed by the company with the Registrar of Companies, and accessed by business signals provider paper.vc, Delhivery has issued 1.23 million Series F compulsorily convertible cumulative preference shares (CCPCS) each at a premium of ₹20,063 to SoftBank, which has invested through its Cayman Islands-registered entity SVF Doorbell (Cayman).

The logistics company has also issued 158,831 Series-F CCPCS to bulge-bracket PE firm Carlyle Group, which is also an existing investor in the company, at the same premium per share. Carlyle Group has invested in Delhivery through its entity CA Swift Investments. Additionally, Fosun International, also an existing investor, has also participated in the latest round, subscribing to 63,532 Series-F CCPCS.

The latest round values Delhivery at a little over \$1.6 billion, according to paper.vc, highlighting a significant jump in valuation of the eight-year-old company. In its last round of funding, the company was valued at about \$634 million.



GERALD MURPHY, Watch

Softbank's investment in Delhivery also marks the ongoing interest by global investors in India's VC-backed, tech-focused logistics sector

\$35 million
Amount Xpress-Bees raised in January from an Alibaba subsidiary

\$22 million
Amount Shadowfax raised prior to that in a round led by NCP Capital

ET was the first to report the negotiations between Delhivery, SoftBank and Carlyle Group in its editions dated October 4 and November 21. The investments have also received the necessary regulatory approvals from the Competition Commission of India (CCI) last month.

Delhivery also counts Chinese conglomerate Fosun International, New York-based Tiger Global Management, Nexus Venture Partners and Times Internet, the digital arm of the Times of India Group that publishes 'The Economic Times, among its list of backers.

As per the documents filed by the firm, SoftBank, which has invested through its \$100-billion Vision Fund, and Carlyle Group will now hold 23.41% and 12.39% respectively in the company, which has emerged as the leading e-commerce-focused logistics company in the country.

"The logistics sector is hungry for capital. Interestingly, SoftBank's investment in Delhivery does not really change the equation, given that the sources of capital are far more diversified in this particular segment, compared to others," pointed out Vivek Durai, cofounder, paper.vc.

Cognizant Buys Meritsoft

NEW DELHI Cognizant said it has acquired Meritsoft, a privately-held financial software firm based in Dublin. Meritsoft, which offers solutions for post-trade processing, counts five of the world's eight leading investment banks among its clients, Cognizant said. — PTI

Boards Need to be Alert, says NRN

Our Bureau

Bengaluru: Infosys founder NR Narayana Murthy said the boards of companies must ensure there is no governance deficit in their organisations and this should be on top of their minds while discharging their duties.

Murthy made these comments at a PwC event, without elaborating.

Infosys paid ₹34.35 lakh to the Securities and Exchange Board of India last month to settle a case pertaining to the severance pay to former CFO Rajiv Bansal.

Murthy was the first to raise a red flag in February 2017 over the company's failure to disclose the severance pay to the board.

The Infosys founder said Infosys "was an intellectual debating society" during his tenure and there would be arguments with cofounder Nandan Nilekani and former board member Mohandas Pai before taking decisions. "By and large, in an enlightened democracy, you avoid serious mistakes... because there is an opposition and that opposition holds the government accountable and therefore there is at least minimal damage," said Murthy. "Similarly at Infosys, by and large, we avoided any serious mistake as long as we all were together."

Biyani Sees the Future in Micro Insurance

Megha.Mandavia @timesgroup.com

Bengaluru: Kishore Biyani's Future Group is looking to offer micro-insurance to customers as part of its digital commerce strategy, with technology making it an attractive product to sell.

The company had launched Future Pay wallet last year and is launching a consumer-lending business soon. Future Group and Italian insurance giant Generali Group already have a joint venture called Future Generali. "We want to do micro-insurance through the data we have about our

VIVEK BIYANI
Director, Future Group

We want to do micro-insurance through the data we have about our customers. We are building a front-end distribution company

customers. We are building a front-end distribution company, which will distribute the products Future Generali makes," said Vivek Biyani, a director at Future Group who also heads its digital business initiatives.

Akatsuki's VC Unit Scouts for Deals in India

Biswarup.Gooptu @timesgroup.com

New Delhi: Akatsuki Entertainment Technology (AET) Fund, the venture capital arm of Tokyo-listed gaming and entertainment company Akatsuki, is the latest risk capital investor to scout for deals in the Indian startup ecosystem.

The \$50-million (about ₹352-crore) proprietary capital fund is looking to bet on content-focused startups, particularly those providing content in vernacular languages, gaming, entertainment and media in Asia's third-largest economy. "We typically invest in seed and Series-A rounds, with a typical cheque size of

about \$500,000. We are investing in three regions — India, US and Japan," Yuki Kawamura, principal at AET Fund, told ET.

According to Kawamura, AET is also working with Accel Partners and Blume Ventures, two leading VC firms operating in the country. "Because we are still quite new in this market, all of our investments, so far, have been co-investments with local partners. We will be co-investing for

the next year or so with local VCs," Kawamura said.

Kawamura said that the AET Fund has also partnered with other 'top-tier' VC funds, but declined to share names, citing confidentiality. Like most early-stage investment firms operating in these segments,

AET Fund is betting on the growing number of internet users in India, the increasing penetration of smartphones, and lower data costs.

"I am more than happy to engage with startups providing services and product that cater to that population," Kawamura said. But the developments also come at a time when early-stage investments in India, particularly angel and seed-stage deals, have been seeing a precipitous drop in the country. Data from Tracxn, an aggregator of deal information, shows the strain in the space. The number of deals fell from 366 in 2016 to barely over 100 so far in 2018.

THE ORDER STATES An admin can only add those who are personally known to him or her

Ahead of Elections, Kupwara WhatsApp Admins on Watch

Megha Mandavia & Venkat Ananth

Bengaluru: Jammu & Kashmir's Kupwara district has ordered stringent restrictions on information sharing on WhatsApp and other social media platforms to curb the spread of rumours and fake news, in the run-up to assembly and general elections.

The order, dated March 1 and seen by ET, includes a directive to register public WhatsApp groups, puts curbs on sharing unverified information and requires group admins to immediately report any violations to law enforcement agencies. "It is done with the Model Code of Conduct in mind," district magistrate (DM) Anshul Garg, who has signed the order, told ET. "And, we have had some residents of the district already registering with the local police station. The police are on board. We want to clamp down on rumour-mongering and false information. We have told residents to only post verified information."

WhatsApp and Facebook did not respond to ET's queries. The order states that since there is an increase in rumour-mongering by antisocial elements, which may lead to law and order problems, there is an immediate need to prevent the circulation of false news thro-

ugh WhatsApp groups and other social media platforms such as Facebook, Instagram and Twitter.

As per the order, every admin of a public or community WhatsApp group residing in the district, or having members within the jurisdiction of the district in his or her group, must register the group with the government office in Kupwara by March 15.

All personal, family and official communications are exempted from the reporting requirement. An admin can include only people who are personally known to him or her in the group. In case any statement is made by a group member that is fake or baseless, and has a potential to cause religious disharmony, the admin must take a screenshot of the message, delete it and remove the member from the group. The admin should then report the matter to the nearest police station immediately so that action under law can be taken against the member.

The order warns that if a group admin fails to act, he or she will be considered an abettor to the offender and shall be liable for penal action, if the fake news circulated on the platform leads to an untoward incident or causes disturbance to public community. "The order has been passed under Section 144, which deals with illegal assemblies," said Apar Gupta, executive director of the Internet Freedom Foundation. "Can this power be used for registering WhatsApp groups? No. Does a DM have power to pass such wide orders? No. This is by itself pre-censorship in absence of a legal guidance," he said. "In law, an abettor must be part of a criminal conspiracy. Abetting can't be on instance of inaction. This conflicts with law," he said.

The order also directs government employees serving in the district to refrain from making any comment or remarks about government policies or decisions on WhatsApp groups and community Facebook pages. A Media Certification and Monitoring Committee has been formed to maintain conducive environment for free and fair elections, the order said.

The Crackdown

Kupwara has seen violent encounters between militants and armed forces

Last week, four security personnel were killed in an encounter with militants after an operation in the district

Officials had tried to enforce curbs in 2016

ORDER STATES: Every admin residing in the district, or having members within the jurisdiction of district in the group, must register the group with the govt office in Kupwara by March 15



18th Parallel Eyes OTT on Television, Builds Solution

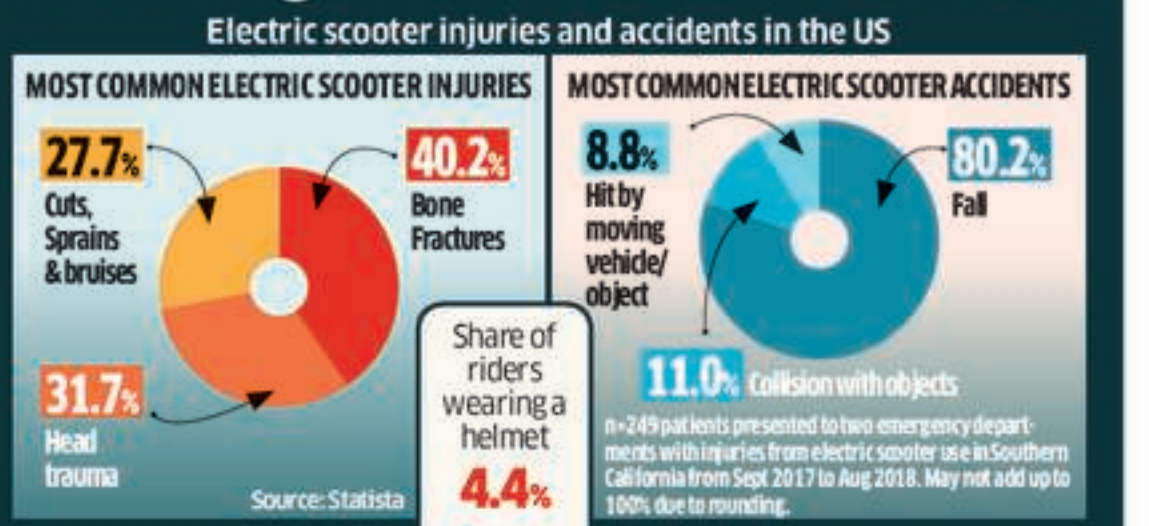
Pune: Pune-headquartered tech firm 18th Parallel has built a home-grown software solution for Android set-top boxes (STB) that can provide consumers a unified experience across cable and over-the-top (OTT) entertainment platforms.

Nishith Shah, CEO of 18th Parallel, told ET that the firm has tied up with Siti Cable and the rollout of the new smart STBs would happen over the next quarter. "OTT on television will be huge in 2019-2020. We already see that with the increase in smart TV

and Amazon Fire TV stick sales. We've created a software platform that allows consumers to watch both cable channels and OTT content using a smart set-top box," said Shah.

The software would provide a unified experience for the consumer across multiple fronts — content discovery, single sign-in, subscription and billing. — Our Bureau

How Dangerous Are Electric Scooters?



FOCUS AREA

The fund is looking to bet on content-focused startups

