

Complete Overview of the AI Startup Ecosystem in India

Vyshak Kannan Iyengar

Originally published by Data Driven Investor on 25 September 2018

Original article: <https://medium.datadriveninvestor.com/ai-startups-in-india-1c49e71a1ce5>

"Can machines think?" — Alan Turing in 1950

From a checker playing program written in 1951 to machines that can recognize a human face, drive a car and diagnose cancer, Artificial intelligence has come a long way.

According to the World Economic Forum, There is a 9x increase in the number of papers published on AI, 6x increase in the VC funding into AI startups and 14x increase in the number of startups working on AI since 2000.

India too has seen significant traction — Indian AI startups have raised over Rs. 600 crores in 2017 alone, the Indian government has also allocated Rs. 3000 crores for AI, ML, and IoT in the recent budget and the Karnataka government has also invested in AI startups and has committed Rs. 40 crores for an AI hub. Telangana government has partnered with NASSCOM to set up a center of excellence for Artificial Intelligence and Data Science with a joint initial investment of Rs. 40 crores. Telangana government also established open data policy in 2016 which has over 50 high quality data-sets open to public for the scope of being used to derive meaningful insights or to build AI based solutions

If we look deeper, there is no AI market per se, there is an AI niche in every possible market, slowly changing the way business is done. The startups have picked up specific problems to solve using AI and tried to build a business model around it. Markets that have seen significant traction in the application of AI are -

Here are some prominent Indian startups in the AI space-

Ed-Tech

- **Embibe** — A Bangalore based Ed-Tech startup founded by Adithi Avasthis, has raised over \$9 million dollars by Kalaari and Lightbox. Its learning platform is being used by thousands of students. They collect data from students and provide personalized learning recommendations. Students can actually improve test scores by fixing basic mistakes using its AI platform.
- **Lernr** — A Gujrat based Ed-Tech startup founded by Arnav and Prashant, has raised seed from celebrated Anand Chandrashekaran. Lernr is a social learning and skill sharing startup, that lets you meet and learn anything from someone interesting near you, for free. It combines machine and human intelligence to curate and delivers personalized learning experiences.

Fin-tech

- **FundsIndia** — A Chennai based FinTech firm that offers robo-advisory services. It has over 11 lakhs customers investing over Rs. 5,000 crores. They have a robo advisor called Mithr that analyze and help pick the best Mutual Funds and SIP for the users.
- **Active.ai** — A Bangalore based firm founded by former bankers, has raised over \$3.5 million from Kalaari and IDG Ventures. It is an intelligent interface that allows banks and consumers to connect over chat.

Health-care

- **Sigtuple** — A Bangalore based Healthcare startups founded by former American Express executives, Raised over \$6.5 million dollars from IDG, Pi ventures, Accel partners etc. They are

helping hospitals and healthcare centers improve the speed and accuracy of blood reports.

- **Tricog** — A Bangalore based healthcare startup has raised over \$2 million from Inventus capital and Blume Ventures. Tricog set out to help doctors make instant diagnoses of heart attacks and ensure treatment is not delayed. It achieves in few minutes which may take up to 6 hours.

Chatbots

- **Niki.ai** — A Bangalore based firm founded IIT Kharagpur Alums, raised undisclosed money from Ratan Tata and Ronnie Screwala. It is a chatbot that offers services like hotel bookings, paying bills, tickets reservations etc. Generates revenue from the commission for the services booked through Niki.
- **Haptik** — A Bangalore based virtual assistant founded by Aakri Vaish and Swapan Rajev, has raised Series B from Times Internet and entered into a strategic alliance with them. It is one of the world's largest chatbot platforms.

Logistics/Supply chain

- **Rivigo** — A Gurgaon based AI enabled logistics services provider founded by Garg and Gazal Kalra, is valued at over \$900 million. Rivigo offers pan-India delivery services to e-commerce, pharma, automobiles, cold-chain and FMCG players.
- **Locus.sh** — A Bangalore based firm founded by Nishith Rastogi has raised over \$2.75 million from Blume, BeeNext, and others. Locus has developed route-planning algorithms so companies can chart the best possible route to deliver an order and allow a salesperson to cover the maximum number of points in the shortest time possible.

Services

- **Qubole** — A BDaaS(Big-Data-as-a-Service) company founded by Ashish Thusoo and Joydeep Sen Sarma, has raised over \$75 million dollars in total. Qubole claims to be the largest cloud-agnostic big data platform in the world. It's also building the industry's first autonomous cloud-based data platform — Qubole Data Services (QDS).
- **Gnani** — A Bangalore based speech analytics firm founded by former Texas Instruments executives Ananth and Ganesh, has raised seed from the Karnataka IT ministry. They are building solutions for enterprise process automation and machine-powered speech transcription.

Startups have enjoyed a lot of interest from the angel investors. Manish Singha has invested in 4 AI startups and founded AI focused fund 'Pi Ventures'. Anand Ladsaria, one of the most prominent angel investors in India who has backed over 90 startups is also betting on the AI startups. Other prominent Angel Investors investing in AI are Ratan Tata, Sachin & Binny Bansal, Ravi Gururaj and Pallav Nadhani. Kalaari Capital, IDG Ventures, and Blume Ventures are observed to be one of the top VCs backing AI in the country.

Interestingly, not many startups have been able to go past the angel round, most of them fail in the early stage. There are some problems these startups usually face -

- **Data** — Startups do not have access to large volumes of quality data to train their systems, as opposed to tech giants. It is also quite expensive to retrieve data and reduce it to be usable.
- **Talent** — AI is relatively new technology for mass adoption and finding the right talent is a huge challenge for the founders.
- **Market** — Some startups build great AI product but unfortunately, the market is often too niche for it to a scalable business.
- **Use Case** - AI startups without a proper use case might lead to dilution of startup focus, creating confusion between investors and the management.

Some of these challenges are not too far from being written off with investments coming in at early stage. AI's evolution is currently being steered by the exponential growth in computing power and smart device ecosystems. With low computing and storage costs, advanced algorithms and the increased availability of AI-based talent, we are going to see what is expected to be the fourth industrial revolution.

References and bibliography

1. <https://medium.datadriveninvestor.com/ai-startups-in-india-1c49e71a1ce5>

This author manuscript preserves the text of the original article. Prepared for archival and scholarly discovery.