

SoftBank lines up over \$1 billion in Q1 to fuel startup boom

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BENGALURU: India's internet economy is booming with marquee global investors putting money here like never before.

At a time like this, SoftBank, one of the most influential tech investors, can't stay quiet for too long. It is set to invest close to \$1.2 billion in Indian startups in the first quarter of the current financial year, two sources aware of the matter said.

This is in line with SoftBank's global approach where it made several big-ticket investments in tech startups last week.

Among its bets, it is finalising an investment of around \$200-250 million in ride-hailing firm Ola's electric unit-Ola Electric while it will put at least \$250 million in neo-banking startup Zeta making it a unicorn, a moniker for startups valued at \$1 billion or more.

SoftBank, which counts top-tier local startups like logistics firm Delhivery, payments platform Paytm, financial services major Policybazaar in its India portfolio, is also putting anywhere between \$400-\$500 million in online food delivery startup Swiggy.

It has already invested \$250 million in social commerce firm Meesho making it a unicorn and tripling its valuation to little over \$2 billion.

Cumulatively, these investments from SoftBank are more than \$1 billion in size.

“SoftBank has become quite aggressive given the current scenario. These investments (mentioned above) will close in the current quarter itself and some more could be there later in the year,” a person aware of the plans said.

SoftBank’s aggressive pace of placing new bets comes at a time when New York-based hedge fund Tiger Global, another fervent backer of Indian startups, is fueling the tech funding boom in India minting new unicorns.

It has invested more than \$590 million across 11 local startups so far with several more deals lined up in the coming weeks, TOI reported earlier this week.

When contacted, a SoftBank India spokesperson declined to comment on the matter. A spokesperson of Ola Electric did not immediately respond while Zeta co-founder Bhavin Turakhia wasn’t available.

SoftBank CEO Masayoshi Son, who believes in backing market leaders, recently said SoftBank is like a ‘goose’ giving ‘golden eggs’ referring to a strong pipeline of his portfolio companies planning to go public.

Son expects 10-20 startups from his portfolio to launch initial public offers in one year. In India, its portfolio firms like Delhivery and Policybazaar are actively working towards going public.

“There would be more going public through 2022-2023,” this person aware of the matter said.

For SoftBank, it has now invested \$8 billion in India’s digital economy through its Vision Fund 1 & 2, including the \$2.5 billion it put in Flipkart and later sold it for \$4 billion to Walmart when the US retailer acquired Flipkart in 2018.

In total, SoftBank Group has invested more than \$11 billion in India, according to industry estimates.

Earlier, it has also played a critical role in India’s startup ecosystem by backing startups like Paytm, hospitality startup Oyo, eye-wear retailer Lenskart, and baby products e-commerce firm FirstCry, among others.

It's new set of bets include edtech firm Unacademy and SaaS startup MindTickle which it backed last year.