

**UNICORN
STARTUPS**

**RESEARCH
REPORT**



TABLE OF CONTENTS

Content	Page No.
1. Introduction	2
2. Unicorn startups in India	4
3. Profitability Analysis	9
4. Impact of Covid-19	10
5. Case Studies-	
• Zomato	15
• Cred	20
• BharatPe	26

INTRODUCTION

The word unicorn refers to a privately held startup with a valuation of \$1 billion in the venture capital business. Aileen Lee, the founder of Cowboy Ventures, coined the phrase when she referred to the 39 startups with a valuation of over \$1 billion as unicorns. Human resources managers can sometimes use unicorns to describe their ideal applicants, who may be overqualified for a specific role. Unicorns aren't only mythical creatures; they are frequently mentioned in popular business and financial conversations. Originally, the phrase was meant to emphasise the rarity of such businesses. Only 0.07 percent of them are considered to be worth \$1 billion, and those that do, are so rare that obtaining one is as tough as discovering a mythical unicorn.

Since then, the definition of a unicorn startup has stayed unaltered. The number of unicorns, on the other hand, has increased. There are around 800 unicorns on the globe as of September 2021. Airbnb, Facebook, and Google are examples of former unicorns. The startups with a valuation of more than \$10 billion are referred to as decacorns (a super unicorn). Dropbox, SpaceX, and WeWork are a few instances of decacorn companies. Hectacorn refers to a company worth more than \$100 billion. Heactacorn is used by a number of well-known companies, including Apple, Google, Microsoft, Facebook, Oracle, and Cisco. The majority of unicorns are privately held, which increases their value when a larger corporation invests in them.

The United States has strengthened its lead in unicorn businesses by 1%, currently accounting for 51% of all unicorn startups. In the same time period, China holds the second place. India has surpassed the United Kingdom to take third place with 5% (4%).

Being a unicorn isn't easy, each having a unique story to tell, along with a list of characteristics that helped it succeed. Almost all unicorns have caused havoc in the fields to which they belong. For example, Paytm changed India's payment environment by creating massive opportunities for banks, insurers. PharmEasy took the Indian online pharmaceutical space by storm in less than six years. Uber revolutionized the way people commuted. Airbnb impacted the way people booked their vacations, and Snapchat disrupted social media usage, among other things.

Unicorns are typically considered as newcomers to their business. They alter people's behaviour and gradually establish themselves as a need. They are also considered as continuing to innovate in order to remain ahead of potential competitors. Another interesting thing that all unicorns have in common is that their business models are based on technology. Paytm, PharmEasy, Uber and many more startups were able to gain acceptance for their business model by creating user-friendly apps. Airbnb made the world feel smaller by harnessing the power of the internet. The fact that edtech, B2B, fintech, and SaaS (software as a service) unicorns have performed well over the last two years confirms that they are capitalising on the potential. Fintech is the category with the most unicorns, accounting for 17% of all unicorns. Internet software and services (16%), e-commerce and direct-to-consumer (12%), and artificial intelligence (11%) are the next most popular (8 percent).

B2C enterprises account for approx 65% of unicorns. Their goal is to make things simple for customers and become a part of their daily lives. Another significant feature of these firms is that they keep things affordable. Spotify, for example, has made music listening more accessible to people all around the world.



Unicorn enterprises have gained notoriety and carved out a niche for themselves in the market. Having said that, not every unicorn will turn out to be a successful startup. The point is that after a startup reaches a certain milestone, it must continue to work hard. Obtaining the unicorn status does not automatically imply long-term success. Some unicorns have lost their worth after a brief period of prominence, a phenomenon known as a 'unicorpse,' which can be attributed to a lack of investor trust.

The reason for the unicorn avalanche. First, the United States' low interest rates, combined with the Federal Reserve's printing of money, have resulted in surplus liquidity. For most venture capitalists and private equity managers, this means an abundance of capital and dry powder. This tendency has been accompanied by an increase of high-quality startups. Second, as public markets remain strong, investors, hedge funds, and family offices have reaped substantial gains. While not impossible, being a unicorn is extremely difficult. In fact, a company has a 0.00006 percent chance of becoming a unicorn, and young firms require an average of seven years to mature into unicorns.



UNICORN STARTUPS IN INDIA

India has witnessed a considerable increase in the number of unicorn startups in the past few years.

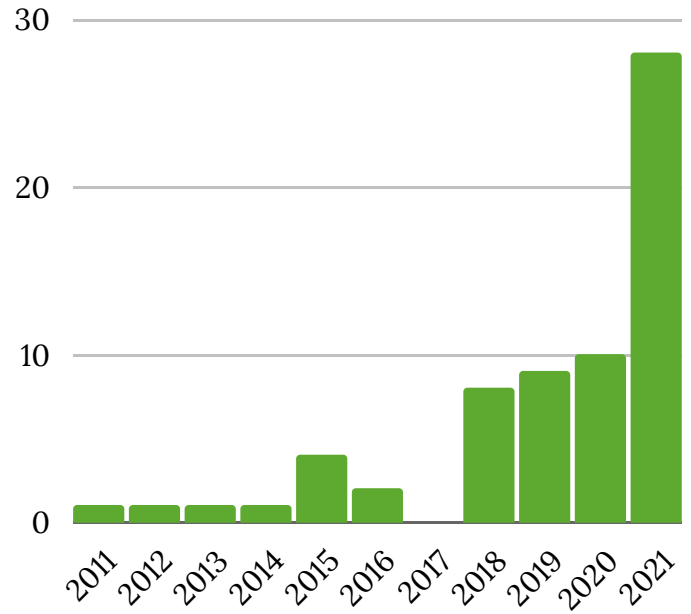
INMOBI

In India, the tech startup InMobi became India's first private company to get venture capital and achieve unicorn status in 2011. InMobi is a privately held mobile advertising company founded in 2007 which is based in Bangalore. In September 2011, its valuation reached \$1 billion after Softbank handed it a cheque of \$200 million making it the first unicorn startup of India. InMobi employs over 1,500 individuals in 22 offices across 12 countries on five continents. It also offers a variety of value-added services to both advertisers and publishers on mobile devices. Consumers can receive access to experiences that are free of deception and barriers. It accomplishes this through advertising and marketing techniques. The company collaborates closely with advertisers to ensure that they get their money's worth when they fund content. InMobi makes money mostly from tailored adverts on partner publications' mobile apps. When an end-user clicks on an ad or downloads the next offering, the cash register chimes. One of the reasons for InMobi's continuing growth and success is that the founders and core staff have remained together throughout the years.

InMobi has raised around \$250 million to date and became profitable in 2016, allowing it to reinvest funds back into the company. The investors have also stayed invested in the company for much longer than they would in any other endeavour. The pandemic has benefited ad-tech businesses like InMobi by speeding up the migration to mobile in gaming, video streaming, and commerce.

Advertisers have been quick to pick up on the trend and capitalise on it. InMobi is the first of India's unicorns to go public on a US stock exchange, demonstrating the country's transition away from information technology and outsourcing.

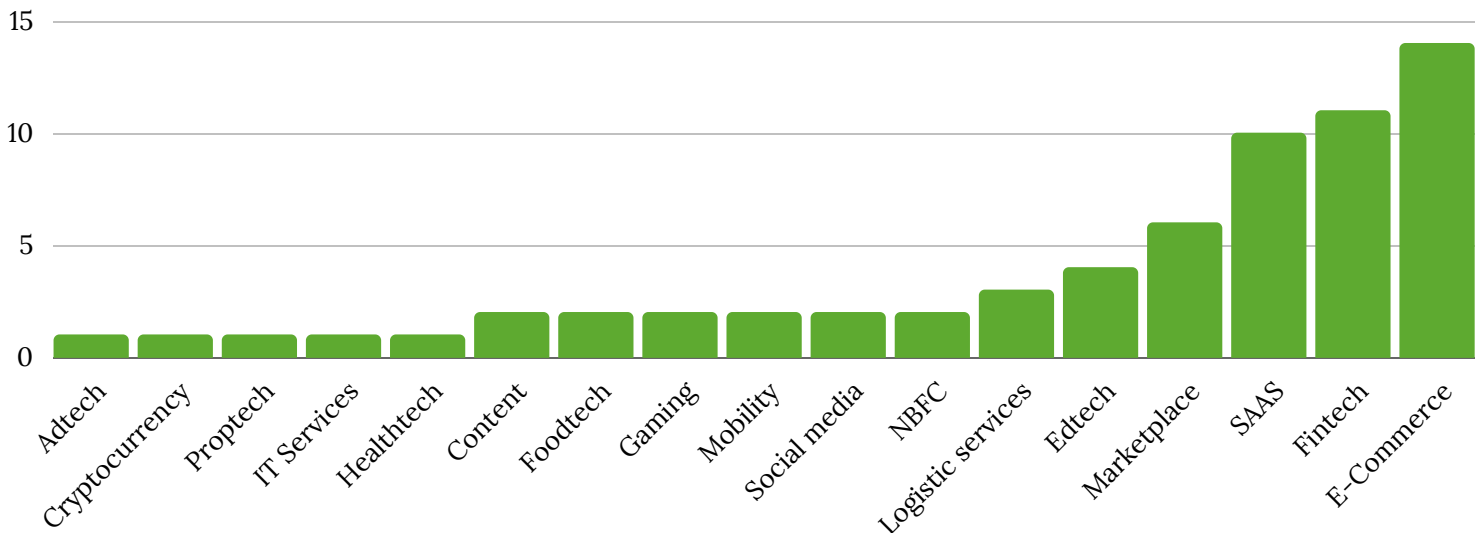




GRAPH SHOWING NUMBER OF STARTUPS EARNING THE UNICORN STATUS EACH YEAR

Post the entry of InMobi in the unicorn startups club, many Indian startups also entered the unicorn club in the succeeding years. Till the year 2018, India had only around 10 startups holding the unicorn tag but post 2018, the number of unicorn startups increased by 55 (including 24 startups which earned the unicorn status in the year 2021). The year 2021 alone witnessed the entry of 28 startups in to the unicorn club taking the total count of unicorn startups in India to 65 (Out of these 65 unicorn startups some have stopped working and one namely Zomato became the first unicorn startup to go for IPO in July 2021 thereby losing its unicorn tag). Some of the new unicorn startups are BharatPe, CoinDCX, Grofers, etc.

In India, most of the Unicorn startups belong to the E-Commerce industry followed by Fintech and SAAS industries. Indian startups in other industries such as education (Byju’s, upGrad), transportation (Ola) etc. have also gone unicorn in recent years. In 2021, CoinDCX became the first ever crypto company to go unicorn.



GRAPHICAL REPRESENTATION OF UNICORN STARTUPS UNDER EACH SECTOR

The year 2021 witnessed the entry of 28 startups into the Unicorn club of India. Innovaccer, Meesho, PharmEasy and CoinDCX became the first ever healthtech, social commerce, epharmacy and crypto startups respectively to enter the unicorn club of India in 2021.

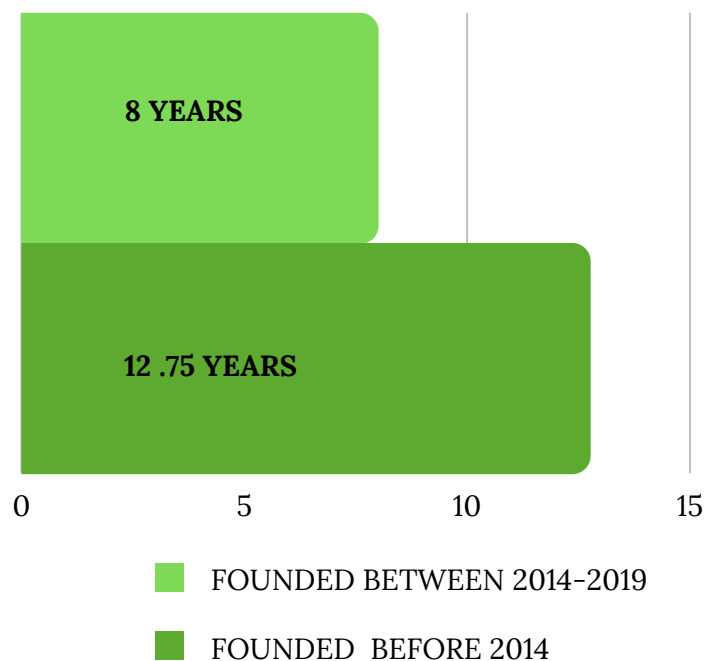
The table below shows the brief details of India startups which earned the unicorn status in 2021:

S.NO	NAME OF STARTUP	YEAR OF FORMATION	TOTAL FUNDING AMOUNT	INDUSTRY
1.	Digit Insurance	2016	\$460.8 M	InsurTech, Financial services
2	Innovaccer	2014	\$229.1 M	IT services (Healthtech)
3.	Meesho	2015	\$515.2 M	E-commerce, Retail
4.	Infra.Market	2016	\$299.9 M	Building Material, E-Commerce
5.	PharmEasy	2015	\$1.2 B	Epharmacy, Healthcare
6.	Cred	2018	\$271.2 M	FinTech, Personal finance
7.	Groww	2017	\$142.3 M	FinTech, Funding platform, Impact Investing
8.	ShareChat	2015	\$969.8 M2	Internet, Mobile Apps, Social Media, Social Network
9.	Gupshup	2004	\$384.1 M	CRM, Information technology, Messaging

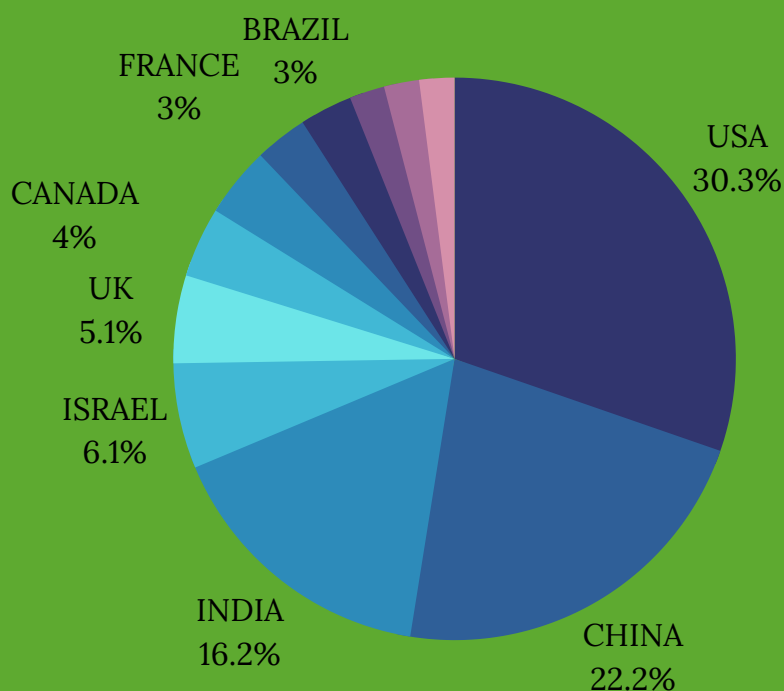
S.NO.	NAME OF STARTUP	YEAR OF FORMATION	TOTAL FUNDING AMOUNT	INDUSTRY
10	Chargebee	2011	\$218.2 M	E-Commerce, FinTech, SAAS, Billing
11	Urban Company	2014	\$445.9 M	Apps, Home Services, Marketplace
12	Moglix	2015	\$222.2 M	B2B, E-Commerce, Marketplace, Mobile
13	Zeta	2015	\$310 M	FinTech
14	BrowserStack	2011	\$250 M	Cloud Infrastructure, Developer Tools, Software
15	BlackBuck	2015	\$364 M	Logistics services
16	Droom	2014	\$333 M	Automotive, B2B, Marketplace, E-Commerce
17	Ofbusiness	2015	\$353.1 M	Building material, Manufacturing, Financial services
18	BharatPe	2018	\$687.2 M	FinTech
19	Mindtickle	2011	\$28.3 M	SaaS
20	upGrad	2015	\$201 M	EdTech
21	CoinDCX	2018	\$109 M	Cryptocurrency
22	Zetwerk	2018	\$373.7 M	B2B, Marketplace, Consumer goods
23	Grofers	2013	\$782.4 M	E-commerce, Grocery, Delivery
24	Eruditus	2010	\$813.5 M	EdTech

For a long time, the average time period taken by Indian startups to earn the unicorn status has been 8 years. In recent years, it can be seen that this average time period is contracting i.e. newer startups are achieving the unicorn status in lesser time as compared to those startups which were founded before them. A report by Orios Venture Partners states that one of the probable reasons for the younger startups earning the unicorn status sooner than those founded before them may be that most of the founders of the new startups have prior experience relating to startups and can also arrange for funds efficiently. India's oldest startups such as Five Star business, Pine Labs, Gupshup which were founded in 1984, 1998 and 2004 respectively took 37, 22, 17 years respectively to become unicorns in contrast to Cred, BharatPe, CoinDCX, founded in 2018, which took only 3 years to earn the unicorn status.

Given below is a graph which shows the average time period taken by two categories of Indian startups to become unicorns - (i) those startups which were founded before 2014, (ii) those startups which were founded between 2014 and 2019.

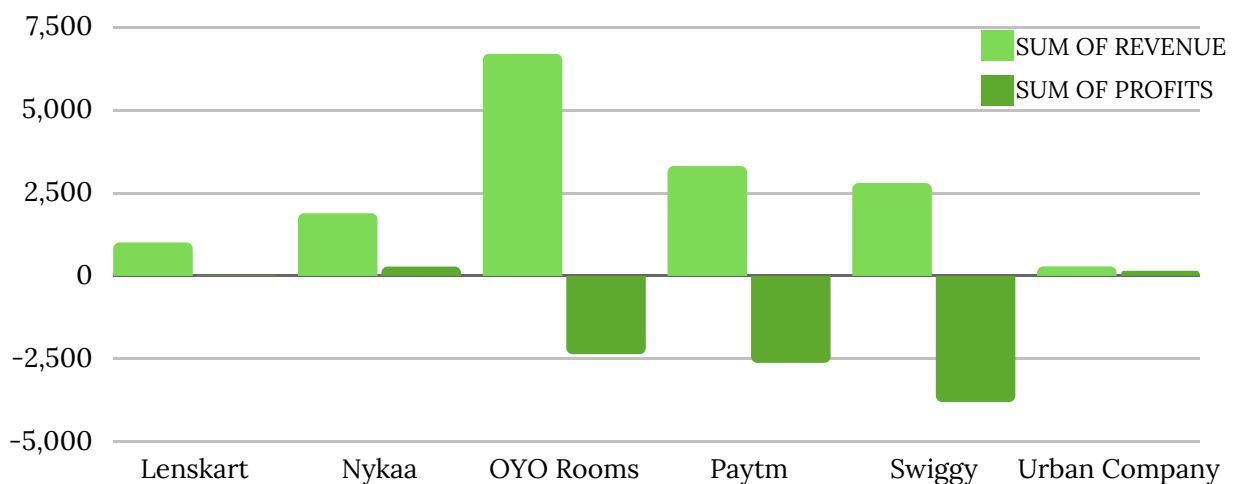


The startup ecosystem of India has been witnessing a considerable number of startups going unicorn each year. Currently, India holds the third position in the global unicorn startup ecosystem having a total of 65 unicorn startups with a combined valuation of more than \$220 billion. It also ranks third in the country wise combined valuation of unicorn startups (first being USA and second being China).



PROFITABILITY ANALYSIS OF UNICORN STARTUPS IN INDIA

As mentioned earlier, India has the third highest EBITDA (Earnings before interest, tax, depreciation and amortization) number of unicorn startups. The total valuation of all these unicorn startups exceeds \$220 billion. Although the figures look positive here, the truth is that the majority of these unicorn startups have been incurring losses. Given below is a graph which shows the comparison between revenue and profits earned by six unicorn startups in FY 2020.



In the above graph it can be seen that the unicorn startups which earned the highest revenues in FY 2020 are the ones that incurred the most losses. On the other hand, those unicorn startups which earned lesser revenues made very little profits. This graph shows the analysis of only 6 companies. In the Indian unicorn startup ecosystem, there are around 65 companies and most of these have been found to be incurring losses even when they have been having substantial increase in their revenues every succeeding financial year. A probable reason for this could be increasing competition among various startups in the same industry. In India, startups, in the hope of driving out competition and making profits, tend to increase their cash burn which in turn results in losses.

Former unicorn, Zomato had also been incurring losses. In July, it went for its Initial Public Offering thus turning public. Similarly, many unicorns are planning on going public through IPO although most of them have been incurring losses.

IMPACT OF COVID-19 ON UNICORN STARTUPS

As of June 2020, there are over 600 unicorn firms throughout the world. While firms in all sectors are feeling the effects of Covid-19, startups have been particularly hard hit and are currently confronting a slew of challenging problems from both a business and an operational standpoint. Except for those startups engaged in the provision and/or delivery of 'critical services', educational technology, gaming, or streaming services, most startups have seen a drop in supply and/or demand. Regardless of this, flaws in the supply chain network have posed problems for all startups. On the other hand, the startup ecosystem has been working tirelessly to adapt to the current circumstances as quickly as possible, focusing on the need to innovate and diversify their business tactics and operations. The startup ecosystem in India has emerged as a significant force in recent years, owing primarily to the efforts of stakeholders and government measures to support the establishment of startups. As a result, one of the biggest problems for startups is obtaining money, which has resulted in cash flow concerns for many. The lockdown impacted not only everyday business operations but also caused several startups to prepare contingency plans to reduce headcount and employee wages.

IMPACT ON VARIOUS INDUSTRIES

The Pandemic had a huge impact on India's economic activities, as well as a significant loss of human life throughout the world. Almost all sectors have been severely impacted, with a few notable exceptions, since domestic demand and exports have dramatically fallen, while a few Indian businesses have experienced tremendous growth. The world economy is in the middle of its deepest slump in history. Coronavirus has had a significant impact on practically every country's development and is responsible for the worldwide GDP collapse. India, like other countries, is affected by the virus, but not as severely. Sales and income have decreased in almost every industry sector. In the third quarter of 2020, India's GDP growth slowed to 4.7%. China is a significant supplier of a variety of raw resources to India. Factory closures have harmed the supply chain, resulting in a sharp increase in raw material prices. Gold, masks, sanitisers, smartphones, pharmaceuticals, consumer durables, and other items have recently suffered

price increases. Among the rest, the aviation and automobile industries have been affected the worst. The aviation and tourism industries have come to a halt due to the lack of aeroplane landings and take-offs around the world and restricted travel. India has implemented several measures to mitigate the outbreak's severity, including corporate tax cuts, a more extended moratorium period, and fiscal stimulus of up to Rs. 2 lakh crore to poor people via Aadhar-based benefit transfers. Investing in mutual funds or Systematic Investment Plans (SIPs) is now the most incredible alternative for investors. People can invest a set amount each month in numerous mutual fund schemes accessible in today's financial industry.

CHANGE IN PATTERN

The Covid-19 epidemic is altering how we work, travel, communicate, buy, and more. Some changes have been abrupt and involuntary, such as social distancing, wearing masks, the suspension of public transportation, travel limitations, etc. The pandemic has permanently altered some patterns. For example, customers demand hygiene and sanitization after a pandemic, and the education sector will have to change its teaching methods drastically. Given the magnitude of the Pandemic's disruption, it is clear that the present slowdown is fundamentally different from previous recessions. The business landscape will be altered by the unexpected drop in demand and greater unemployment. Businesses will take a new road in this unpredictable climate by adopting new ideas.

The table below gives a brief overview of the Unicorns in India that have been impacted by Covid-19:

INDUSTRY SPECIFIC FIELD	COMPANY NAME	IMPACT OF COVID-19
Education	Byju's	After introducing unrestricted access to its app in March 2020, the number of new students learning increased by 150%.
E-Commerce- Groceries	Grofers	The company's sales have increased by 100 percent due to increase in demand.
Online Food Delivery	Zomato	During the pandemic, the company observed a growth rate of around 5.5X.
Home Service	Urban Company	Since the countrywide lockdown was announced, the company has gained 33% more customers.
Medical- Online Pharmacy	PharmEasy	The company nearly doubled the sales during the worldwide Pandemic to Rs 637 crore in FY20.

E-Commerce- Baby Products	FirstCry	Revenue increased for the company by 68%, while overall expenses decreased by 28%.
Fintech - Payments & Credit Card Rewards	Cred	During the fiscal year ending March 2021, CRED projects a 208X increase in operational revenues to Rs108 crore.
Fintech - Payments	BharatPe	BharatPe's income grew by more than six times to Rs 700 crore in fiscal 2021 due to the Pandemic driving consumers and companies to adopt digital transactions.
E-Commerce - Personal Care & Cosmetics	Nykaa	In the physical and e-commerce industries, a 30-40% increase in the Average Order Value (AOV).
E-Commerce - Eyewear	Lenskart	The Pandemic caused a 20-30% drop in revenue compared to the company's 2019 figures.
Edtech - Higher Studies	upGrad	A notable increase of 50% in the company's gross revenue.
Fintech - Brokerage & Mutual Funds	Groww	In fiscal year 21, the company saw a revenue increase of 823% year-on-year (YoY) compared to 2019. However, the company's expenses increased by 2,703%.
Gaming	Dream11	In the financial year 2020, the gaming platform made an increase by more than 2.5 times.
Logistics Services	Delhivery	The company made a 68% jump in terms of revenue during the Pandemic.
Proptech - Hotel Booking	OYO Rooms	The company's revenues dropped by more than 50% to 60% during the Pandemic.

AN INDUSTRY-WISE IMPACT OF THE PANDEMIC IS LISTED BELOW:

For the time being, the Covid-19 pandemic is primarily a health and humanitarian catastrophe, and companies are quickly adapting. While the crisis is unfolding, leaders must also plan for what comes next. But not the next 'normal.' Normalcy is no longer an option for us, and 'business as usual' is even less so. Complexity, unpredictability, and possibilities characterize the emerging new reality. Organizations must accelerate, become robust, and agile in order to adapt and prosper.

AGRICULTURE AND FOOD INDUSTRY

Covid-19 had an impact on the entire process, from farmers to consumers. Since agriculture is the country's backbone and is included in the Government's essential category, the effects on primary agricultural production and agro-input usage were minimal. Several state governments have previously permitted the free movement of fruits, vegetables, milk, and other foodstuffs. The Government can help by providing financial assistance to small farmers or vulnerable populations. To avoid an increase in food prices, protectionist food policies should be avoided.

AVIATION AND TOURISM INDUSTRY

In 2020, the Covid-19 Pandemic greatly influenced the Indian aviation sector, with significant airlines laying off personnel, sending them on leave without pay, or cutting their salaries due to losses and difficult circumstances. During the year, the Government had to extend the deadline for making bids for Air India five times. The impact of this interruption may be estimated using the loss statistics of India's two largest airlines. IndiGo's net losses were 2,884 crores in the first quarter and 1,194 crores in the current fiscal year's second quarter, respectively. In the first and second quarters, SpiceJet lost 600 crores and 112 crores, respectively. Since there are fewer tourists, hotels are closing, and many five-star hotels are becoming quarantine facilities due to social distancing, hygiene, and sanitation-related costs. As a result, the tourism industry faces a difficult challenge in surviving this crisis.

TELECOM INDUSTRY

During the lockdown, remote working, video conferencing, and telecommunications technology have quickly emerged as critical enablers for business operations. Streamlining services like Netflix have quickly become the go-to source for entertainment, putting the telecommunications sector in the spotlight today. According to news reports, overall traffic has increased by 10%, while viewership on streaming platforms has increased by 20%. As a result, unlike the manufacturers and other industries that have come to a halt, numerous observers now anticipate that the telecom industry will emerge as the economic slowdown's golden child.

PHARMACEUTICAL INDUSTRY

Since the Covid-19 Pandemic broke out, the pharmaceutical sector has increased, particularly in India, the world's largest producer of generic pharmaceuticals. It has been booming in India, exporting Hydroxychloroquine worldwide, especially to the US, UK, Canada, and the Middle East is a market with a size of \$55 billion by the start of 2020. The outbreak has caused a recent increase in the price of raw materials imported from China. Generic pharmaceuticals have been hit the most because of the industry's significant reliance on imports, interrupted supply chains, and labour shortages caused by social distancing. Simultaneously, the pharmaceutical business is suffering due to government-imposed export bans on vital pharmaceuticals, equipment, and PPE kits to secure adequate supplies for the

country. The rising demand for these drugs, along with their limited availability, is making matters more complex. In such a time of uncertainty, easing financial stress on pharmaceutical businesses, tax relief, and addressing the labour shortage could be the essential components.

OIL AND GAS INDUSTRY

The Indian oil and gas business is important globally; it is the world's third-largest energy user, after the United States and China, and accounts for 5.2% of global oil demand. The nationwide lockdown reduced the need for transportation fuels (which represent 2/3rd of the total market in the oil and gas industry) as automobile and industrial manufacture decreased, and goods and passenger mobility (both bulk and personal) fell. The need for Oil and Gas dropped significantly.

EDUCATION INDUSTRY

The Pandemic has forced the closure of schools and other educational institutions. Various educational efforts, such as online classrooms, radio programs, and book-based learning, are used by many students to attend their classes. Even while schools and educational institutions provided knowledge through online modalities, students were not receiving practical and on-the-job training, which is critical in the corporate sector. This Pandemic has harmed not only students but also low-budget institutions and schools, forcing them to close.

TECHNOLOGY INDUSTRY

Consumers utilize digital to interact, learn, and play to combat isolation, and they will continue to do so in the future. Since the world was exposed to Covid-19, daily life has altered dramatically. The worldwide epidemic has affected every country on the planet. Nearly one year later, most of us are at home, utilizing Zoom and other technology to communicate with family and coworkers. We order almost everything online and have it delivered to our front door, even groceries and medications frequently. Technology's influence in our lives has never been more apparent. Although numerous technologies and platforms existed before the Pandemic, their significance in our everyday lives grew tremendously during the crisis. In many regions, this is expected to persist after the epidemic. Our society will be affected for a long time by the epidemic. Technology, which will undoubtedly be affected by the lessons acquired during an unprecedented and terrible time in our history, is one area where we will certainly witness such consequences.

ZOMATO

Zomato is an Indian multinational restaurant aggregator. Zomato belongs to the online food delivery industry providing services such as information, menus and user-reviews of restaurants.

Zomato was founded in July 2008 as Foodibay by Deepinder Goyal, Pankaj Chaddah and Gunjan Patidar in Gurugram, Haryana, India. The name Foodibay was later changed to Zomato. Zomato provides the facility of food delivery from partner restaurants in select cities. As of 2019, Zomato was providing services in 24 countries and more than 10,000 cities. In July 2021, Zomato became the first unicorn startup in India to go for Initial Public Offering (IPO) thereby losing its unicorn status.

TIMELINE OF ZOMATO'S EXPANSION TO VARIOUS LOCATIONS:

- In 2011, Zomato expanded to various cities namely Delhi NCR, Mumbai, Chennai, Pune, Kolkata.
- In 2012, it started expanding outside India, by extending its operations in the United Arab Emirates, Sri Lanka, Qatar, the United Kingdom, the Philippines, and South Africa.



- In 2013, Zomato expanded to New Zealand, Turkey, Brazil and Indonesia and made its website and app available in Turkish, Portuguese, Indonesian and English languages.
- In 2014, Zomato expanded to Portugal.
- In 2015, it expanded to Canada, Lebanon and Ireland.
- In 2019, Zomato could expand to countries like the United States and Australia after acquiring Urbanspoon, a food portal based in Seattle.

SERIES OF SIGNIFICANT EVENTS

- **Citibank Zomato Restaurant Guide:** In 2012, Zomato, in collaboration with Citibank, launched a print version to the website, “Citibank Zomato Restaurant Guide” but this print version is not in operation since its launch.
- **Unicorn status:** In February 2018, Zomato achieved the \$1 billion valuation thereby entering the unicorn startups club of India.
- **Zomato Market:** In April 2020, Zomato launched its grocery delivery services under the name, Zomato Market in more than 80 cities across the country. This grocery delivery service was launched keeping in mind the growing demand from groceries by households amidst the lockdown due to the Covid 19 pandemic.
- **Contactless dining:** In April 2020, Zomato also launched an initiative in order to get ready for post lockdown. This initiative is called Contactless dining through which it aims to reduce customer contact with anything that might have been touched by someone else.

- **Female employees benefit policy:** In August 2020, Zomato introduced a period leave policy under which it enables the female employees to take leave of up to 10 days in case they are not able to work due to health effects caused by menstrual cycles. This policy applies to transgender employees as well.
- **Initial Public Offering:** On 23rd July 2021, Zomato became the first unicorn startup to go for Initial Public Offering in India.

ACQUISITIONS

2014

- **Menu Mania**

In July 2014, Zomato acquired New Zealand based restaurant discovery service, Menu Mania for an unrevealed amount.

- **Lunchtime and Obedovat**

Zomato acquired lunchtime.cz and obedovat.sk for a combined valuation of S\$3.25 million.

- **Gastronauci**

In September 2014, Zomato acquired Gastronauci, a leading restaurant reviews site based in Poland.

- **Cibando**

In December 2014, Zomato acquired Italian restaurants search service iPhone application Cibando.

2015

- **Urbanspoon**

Zomato acquired Urbanspoon, a food portal based in Seattle for an estimated sum of \$60 million. This acquisition opened its gates to expand to countries like the US and Australia.

- **Mekanist**

In 2015, Zomato acquired Turkish food and restaurants search engine, Mekanist.

- **MapleGraph**

Zomato acquired MapleGraph which is an Indian technology powerhouse.

- **NexTable**

Zomato acquired NexTable, a US based software company which is a restaurant management platform for the iPad.

2016

- **Sparse Labs**

In 2016, Zomato acquired a logistics startups company, Sparse Labs.

2017

- **Runnr**

In 2017, Zomato acquired a food delivery startup company, Runnr.

2018

- **TongueStun Food**

In September 2018, Zomato acquired TongueStun Food, a food e-marketplace based in Bengaluru, for about \$18 million.

- **TechEagle Innovations**

In December 2018, Zomato acquired TechEagle Innovations, a Lucknow based technology startup which works for providing Drone delivery solutions, for an unrevealed amount.

2020

- **Grofers**

On 29 June 2021, Zomato and Grofers signed a deal where Zomato would be investing a sum of \$120 million approximately thereby acquiring 9.3% stake in the company.

FUNDING ROUNDS:

Zomato has been able to raise a total funding amount of \$2.1 billion over 21 rounds of funding before going for IPO. The last funding round before Zomato went in for IPO was in February 2021 in Venture Series Round in which a total of 5 investors invested their money. The money raised in this round was \$250 million. Between August 2010 and February 2013, Zomato raised a sum of approximately \$16.8 million from Infoedge. In November 2013, it raised \$37 million from Sequoia Capital and Infoedge jointly. In November 2014 and in November 2015, it raised \$60 million and \$50 million respectively from Sequoia Capital, Infoedge and Vy Capital jointly. In September 2015, it raised \$60 million from Temasek and Vy Capital. In April 2017, it raised \$20 million. In September 2017, it raised \$40 million from Runnr. In February 2018, it raised approximately \$200 million from Ant Group in two rounds of funding. In February 2019, it raised \$40 million from Glade Brook Capital Partners. In March 2019, it raised approximately \$5 million from Baillie Gifford. In September 2020, it raised approximately \$62 million from Tamasek. In October 2020, it raised \$52 million from Kora Management.

PROFITABILITY ANALYSIS

During FY 2015-16, Zomato incurred huge amount of losses due to which it had to lay off about 300 employees. This step taken by Zomato also led to the reduction in morale of most of the employees. The motive behind laying off employees was to reduce costs in less important areas and focus more on those aspects of business which would help in generating revenues. Despite having achieved revenues which was double the amount generated in FY 2014-15, the growth rate in FY 2016 was not ideal as the company's cash burn rate was very high (\$4.2 million per month on an average). Losses incurred by Zomato in FY 2015-16 was \$70 million approx.

During FY 2016-17, Zomato earned a revenue of \$49 million which was approximately 80% more than the growth achieved in FY 2016. Zomato also reduced its operating annual burn from \$64 million in FY 2015-16 to \$12 million in FY 2016-17. During this financial year, their main focus was product, engineering and traffic growth.

Some of the main focus areas during FY 2017 involved:

- Redesigning advertisement models by putting an end to accepting advertisements from restaurants which have a low rating. This provided a much simpler interface to the customers along with greater visibility.
- Scaling up of food ordering and delivery services by focusing on customer experience and real time payments settlements.

- Introduction of table reservations product.
- Launch of Zomato Gold, a premium membership programme offering discounts and perks on the best restaurants to members who have subscribed for premium membership.

During FY 2017-18, Zomato achieved great success in each of its businesses. They achieved EBITDA Break-even points in each of its businesses across the globe. They achieved a revenue of \$74 million in topline which was 45% more than what was achieved in the previous year. Their annual operating cash burn in FY 2018 was \$11 million which is less than the operating cash burn in FY 2017. Introduction of Zomato Gold in FY 2017 brought a lot of customers to Zomato and by the end of March 2018, they had around 1,60,000 subscribers.

During FY 2018-19, Zomato could achieve most of its business goals. In this financial year, they earned a revenue of \$206 million approx. which is more than 2.5 times the revenue earned in FY-2018. Despite earning large revenues in FY 2019, Zomato incurred a loss since the total costs were greater than the total revenue earned. The losses were incurred mainly due to heavy expenditures on marketing strategies to acquire more customers. But overall, they performed well in this financial year.

During FY 2019-20, Zomato's revenue increased by 105% and costs only by 47% as compared to the previous year. The main focus this year was to pave Zomato's way to profitability and it did quite well in that area. When Covid-19 hit different countries across the globe, it stimulated the growth of online shopping and online food delivery platforms. Zomato's revenue in India Food delivery segment grew by 108% in FY 2020 over FY 2019. The revenue generated by the Dining Out segment was \$56.1 million in FY 2020 as compared to \$46.5 million in FY 2019.

In July 2021, Zomato became the **first unicorn startup in India** to go for **Initial Public Offering** thereby losing its unicorn status. The IPO Price was Rs. 76 per share with a Face Value of Rs 1 per share.

CRED

Cred is an Indian financial startup based in Bangalore, created by Kunal Shah in 2018. Over 5.9 million consumers were onboarded, and the company processed roughly 20% of all credit card bill payments in India.

The key feature of CRED is that it allows users to make credit card payments through its app and rewards them for doing so. The software is designed to make paying credit card bills easier while also rewarding you for doing it on time. Phone number is required in order for the app to check the credit score with Cibil, CRIF, and Experian. CRED, a members-only credit card bill payment network makes paying the bills a pleasurable experience. CRED gives you the feeling of boundless choice at the conclusion of every credit card payment cycle by collaborating with different companies.

Credit is a concept that has been around for a long time. People have been using credit since the beginning of time. When our cash reserves are depleted, credit is essential, and credit cards have made it simple to obtain it. Paying credit card debts, on the other hand, is a priority that is as tough to handle.



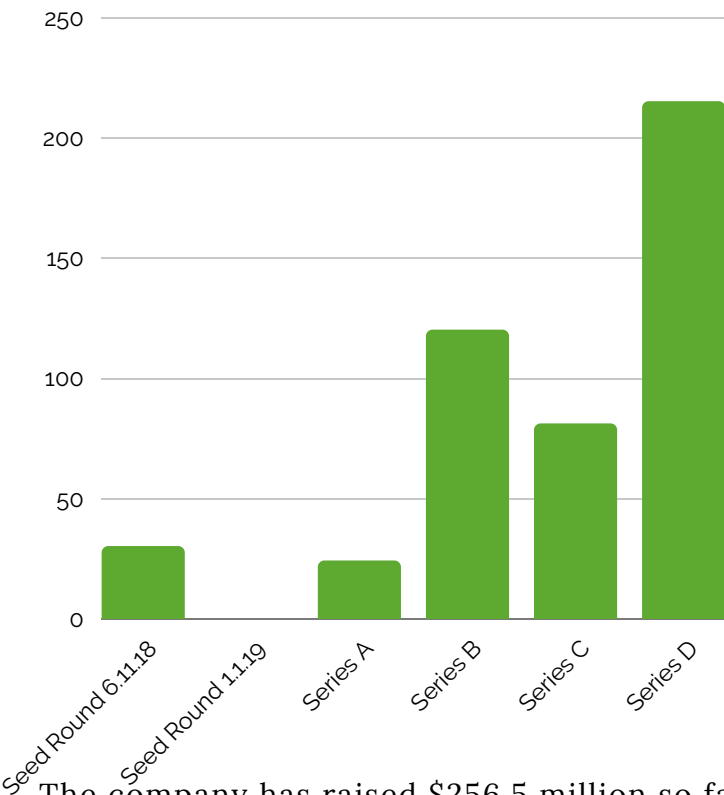
This is why Cred came up with the novel idea of creating a platform that will assist Indians in paying their credit card bills on time while also providing them with fast offers and benefits. It began by focusing on wealthy folks and forming a society called Cred Club. Today, however, anyone with a credit score of at least 750 points can use Cred's services and become a member of its club. It is currently focusing on Generation Y, or persons between the ages of 25 and 40, with a focus on those over the age of 30. Cred's current marketing efforts are geared toward capturing the attention of Generation Y.

If one's credit score is 750 or above, he will be given access to the app, otherwise, he will be placed on a waiting list. Any credit cards linked to his/her phone number are scanned and added to the app. Cred uses this access to look for hidden charges on credit card statements. One earns Cred Coins every time you buy with your credit card – each coin is worth Rs 1. These coins can then be redeemed for rewards and one can also burn the coins to get a cashback which is credited directly to his/her credit card.

FUNDING AND INVESTORS

CRED began as a bill-paying app for credit cards. It has expanded into e-commerce, loans, payments, and even investment throughout the years. In less than two years, over 5.9 million people have joined CRED. It is the newest unicorn to enter the club, having received \$215 million in Series D funding. The current financing increased the valuation of the less than three-year-old firm by 2.73X to \$2.2 billion, up from \$806 million in its \$81 million series C round in January. The current round was led by new investor Falcon Edge Capital and existing investor Coatue Management, with existing investors RTP Global, DST Global, Greenoaks Capital, Tiger Global, Sofina, and Dragoneer Investment Group joining the round as well. CRED has raised \$215 million in Series D fundraising, valuing the company at \$2.2 billion. Over the last 2.5 years, the company has developed dramatically, now accounting for 35% of premium credit card customers and processing 22% of all credit card payments in India on a monthly basis. Separately, the corporation highlighted the development in its newsletter.

As thousands of people around the country battle the deadly second wave of Covid-19, CRED partners with healthcare funding site Milaap to offer a unique project to help the community. The support campaign has gotten a lot of popularity online in less than a week, with a lot of individuals using their CRED coins to donate oxygen. People are applauding CRED's effort and have begun donating their CRED coins to help those in need of oxygen.



The company has raised \$256.5 million so far. The most recent round of funding takes the total amount raised to \$471.5 million. It is funded by 29 investors in total, as per August 23,2021.

According to TechSci Research, India's credit card user base hit 47 million in 2019 and is expected to rise at a CAGR of over 25% between 2020 and 2025, owing to the expanding use of credit cards and the growing habit of purchasing things first and paying later. Although the market is less than that of the debit card, it is likely to grow significantly in the future years.

Some of the elements that are primarily contributing to its success are:

CRED RentPay allows you to pay your monthly rent directly from the CRED app using their credit cards. One can get benefits like free cash flow, interest-free credit periods, reward points on credit card loyalty programmes, and a CRED coin for every rupee of the bill paid back on CRED, if you pay rent on credit. We can also gain cashback on your monthly rent payments by using your CRED coins.

CRED Cash is the quickest, most convenient, and entirely digital way to receive credit, without the time-consuming application and verification processes traditionally associated with loans, and at a one-third of conventional credit card interest rates. With no hassles like long, difficult forms, phone conversations, or physical visits, you can get pre-approved for an active credit line of up to INR 5 Lac.

CRED members can shop through their in-app e-commerce platform, which features a chosen, curated range of products as well as travel experiences to opulent destinations across India and the world at member-exclusive prices. Starbucks, Boat, Noise, TMC, Mamaearth, Lifelong, Beardo, Ustraa, Bombay Trooper, Neemans, Jimmy's Cocktails, Elementary, Whole Truth, Sleepycat, and many more are among the 1,800+ companies available on the app, with 500+ active at any given time.

More unique destinations have been added to **CRED Travel Store**, including luxury stays at Ayatana Coorg, The Serai, Hard Rock Goa, Centara Ras Fushi Maldives, and Kempinski Seychelles. The 'buy now, travel later' option allows members to travel in the future when they are safe to do so. CRED has also partnered with Mastercard to offer members access to a variety of unique incentives and premium packages at hotels such as Taj, ITC, and Lalit.

CRED Pay is a new payment option available to CRED members on a limited number of merchant platforms. It provides a secure and enjoyable one-click checkout experience using credit cards that have previously been saved on CRED. Members can save money on a variety of products from over 300 popular companies, including Dineout, Ixigo, The Man Company, Zoomin, Neemans, and Bombay Shaving Co., by using CRED Coins at checkout. In addition, CRED has sponsored this edition of the Vivo IPL 2021, and if you pay your credit card bills on CRED during the Powerplay overs of any Vivo IPL 2021 match, you may earn a 100% cashback and be featured in a live match telecast. Not only that, but CRED coins acquired by paying credit card bills may be redeemed for the CRED jackpot, which is unlocked every day during the 13th over of every Vivo IPL 2021 match.

CRED, is also offering a peer-to-peer (P2P) lending option called CRED Mint to its 7.5 million users. Users of the CRED app will be able to lend money to one another at an annual interest rate of up to 9%. Cred Mint has been launched by Cred in collaboration with RBI-approved P2P Non-Banking Financial Company (NBFC), Liquiloans. With this feature, the Cred members can now lend money to the trustworthy members of Cred based on the predefined interest rates. Though, it is also declared that Cred Mind will only be available for users with decent credit scores. Users will be able to “invest” anywhere between Rs. 1 lakh and Rs. 10 lakh of their savings in a capital pool, thanks to a cooperation with P2P non-bank LiquiLoans. This fund will subsequently be utilised to lend to other CRED members looking for personal loans. The interest rate on these loans will be 12-13 percent per year. Those who invest in the product will be rewarded with up to a 9% interest rate.

In India, the peer-to-peer lending paradigm is not new. Other non-banks that operate in this space include LiquiLoans, LenDenClub, and Rupee Circle. However, one must keep in mind that the earnings on these investments are exclusively contingent on loan repayments. Non-banks typically carry the risk on their books and pay the lenders out of pocket if the borrower defaults. Given that CRED only enables a limited number of people to utilise the network, Shah emphasised that P2P lending can provide customers with a low-risk investment option.

CRED COINS

As a CRED member, we are not only rewarded for paying our credit card bills on time, but we are also awarded with CRED coins. We get one coin for every rupee we pay off on our bills, and one can spend these coins to get other prizes on the platform. Discounts while buying from affiliated merchants promoting their goods and services on the app, as well as raffles and jackpots, are among the perks. One can use the coins to enter mega jackpot events, such as the jackpot week. CRED also allows good Samaritans to easily contribute to the benefit of society by allowing them to donate their coins to a range of causes, like the construction of playgrounds (they've vowed to build 52 across cities), the donation of masks, and the sponsorship of children's education. In the 'Kill the Bill' section, which is a cash back offer, one may also redeem CRED tokens for actual cash. The cashback will be automatically credited to the credit card that you used to redeem CRED coins. In addition, CRED Gems is a referral programme in which one may earn cashback or enter to win prizes such as iPhones and Macbooks for each person you introduce to CRED who makes a bill payment.

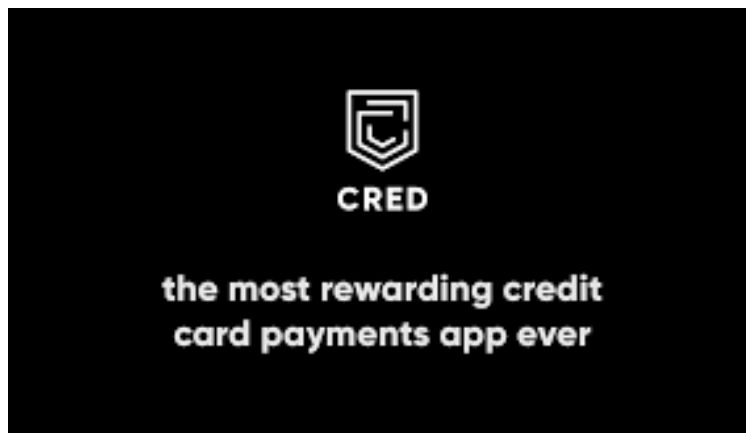


We can examine our payback score and credit utilisation health on the CRED app dashboard. These are crucial aspects in improving your credit score, and CRED can assist you in keeping track of them. Because our credit score report is available, the app can keep you up to date on how to increase your credit score. There's a handy 'Refresh Score' option to keep track of the score's quarterly ups and downs, which is almost an exclusive feature to this app. Continue scrolling to see all of the criteria that contribute to your high/low score. One can enhance your overall credit score by focusing on low-scoring items. In addition, the app analyses our monthly credit card spending and provides a reality check. However, this function is kept optional because it requires us to approve CRED to access our emails. It also sends notifications if our credit card is being used fraudulently, reminds us of charges or unexpected fees on credit card bills, communicates due dates via WhatsApp, and gathers credit card bill information and payment dues.

CRED also added features that allowed customers to pay rent on their homes and introduced short-term credit lines. CRED's business model and valuation have been chastised for being excessive and lacking a viable monetization strategy. CRED lost Rs 360.31 crore in the fiscal year 2020 (FY20), owing to excessive marketing and advertising costs. In a Rs. 120 crore deal, CRED became the official sponsor of the Indian Premier League for three years, from 2020 to 2022. In 2021, CRED's advertising content and videos, which were created in-house and included Indian celebrities, sparked a lot of discussion in the news and on social media because of their uniqueness, which was both criticised and applauded.

REVENUE MODEL

Cred makes money by displaying products and offers - as we all know, Cred lists a variety of products and offers from a variety of businesses that benefit its consumers. Cred charges these firms a fee for their exposure. Cred earns money every time a user takes advantage of the offers. It also collects financial data from consumers who use the platform to pay their bills and other transactions. Cred has other banks and financial institutions that pay them a charge for accessing this data, in addition to providing Cred with the chance to propose more offers to their subscribers utilising this data. These businesses, banks, and financial institutions would eventually approach potential clients with their own line of products that were tailored to their preferences.



TOP COMPETITORS

Cred's main competitor is Paytm. It was launched in 2010 and is a fintech app and payments platform based in Noida, Uttar Pradesh, India.

Cred has a number of competitors, including PhonePe. It's also a digital payment and financial services platform based in Bangalore, India, that was established in 2015. As of July 2021, this app has the biggest market share of 46.04 percent.

MobiKwik is another finance startup that provides digital payment choices while also competing with Cred. It was created in 2009 and is headquartered in Gurugram, Haryana, India. Cred's other competitors include digital payment apps and fintech firms such as Google Pay, Amazon Pay, and others.

Yes, it appears that CRED is on a mission to recognise and reward credit-worthy people. It is a totally digital, transparent platform composed of highly trustworthy individuals, brands, and organisations. Its sympathetic design strategy makes financial decisions transparent, enjoyable, and rewarding for its members, allowing them to gain access to a better life through unique prizes and experiences.



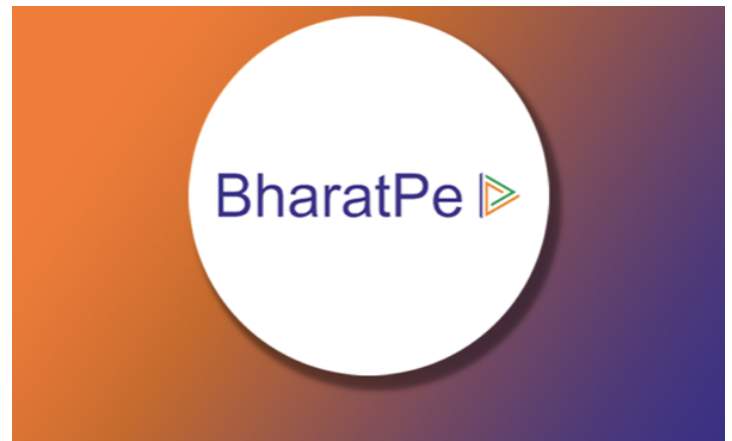
BHARATPE

BharatPe is an Indian financial firm that serves small merchants and kirana shop owners. The company provides a number of fintech solutions, such as interoperable QR codes for UPI payments, Bharat Swipe for card acceptance, and small business finance.

If Fintech had been first introduced about ten years ago, many would have been perplexed just by the name of it. Today, it's a buzzword in everyone's ear, and it's increasing at an exponential rate as the way people do business is transforming online. The year 2015 is remembered in India as the most fintech advances, with the emergence of multiple fintech startups, incubators, and investments from public and private investors. India is evolving into a hotspot for promoting and offering a profitable platform for all financial startups to grow into multibillion-dollar unicorns.

BharatPe, based in New Delhi, raised the new round at a post-money valuation of \$2.85 billion, making it the 19th firm to become a unicorn in 2021, according to the company. As a result, BharatPe has become the fifth most valued fintech company in India.

BharatPe is a private fintech company founded by Ashneer Grover, Bhavik Koladiya, and Shashvat Nakrani. In India, BharatPe is a P2M (Person to Account) UPI payment service provider. With the aid of Digital Gold, the fintech business allows customers to exchange for 24-carat gold with purity. their products include Bharat Loan, Bharat Swipe,



Oand Twelve Percent Club, a peer-to-peer lending platform. For offline retailers and businesses, BharatPe is a Q.R. code-based payment app. The company's headquarters are in New Delhi, but there is also a BharatPe office in Bangalore. Through the BharatPe QR, the app allows users to receive UPI payments for free. The software enables its users to sign in instantly and begin receiving cash in their bank accounts. The goal of BharatPe is to assist everyone, as they started with making payments accessible for all of their users.

The company's tagline is "Ab se Dukandar is King." It also adds "Apne Parivar Aur Shop Ko Rakhe Insured". BharatPe is the first UPI Bahi Khata for retailers in India. It is India's first Fintech business that allows retailers to accept payments offline.

The trademark owners are the proprietors of the BharatPe logo. This company pioneered UPI payments and digital money loans for merchants. BharatPe is a payment solution software for retailers that allows them to accept payments from any UPI payment app with a single BharatPe QR code.

Merchants can join up in seconds and begin collecting payments straight into their bank account, with the option of earning up to 12% interest on those payments and even taking out loans if needed. BharatPe simplifies payment acceptance by providing businesses with a single Q.R. code to make payments via PayTm, PhonePe, Google Pay, BHIM, and 150+ other UPI applications.

It has made accepting payments completely free for all companies, with no transaction fees. BharatPe wants to be India's one-stop business utility app for offline retailers.

In India, shopkeepers are the backbone of the economy and one of the most underserved groups. In 2016, fintech companies like Paytm and PhonePe had focused on payments since India's digital revolution, but they have also zeroed in on the customer. BharatPe piloted its merchant-focused Q.R. code in Nehru Place, a commercial hotspot in New Delhi, in June 2018. Over 1,000 merchants signed up in the first month, attracted by the interoperability feature and, more crucially, the free transaction fees.

Since the shopkeepers operate with margins of roughly 15%, Ashneer Grover, the founder, claims that retailers would depend on cash merely to save on transaction fees.

BharatPe acquired its first set of merchants in double-quick time using Q.R. codes, but it had to create a loan product and P2P investments to keep and monetize them.

To provide insight into the business's cash flow, BharatPe has produced an artificial intelligence (A.I.) based program that picks up numerous signals, such as the type of transactions a shopkeeper does, their use of other items on the platform, and so on.

FEATURES OF THE BHARTPE APP

Several times, servers have gone down while processing financial transactions, preventing customers from completing payments. Such problems affect merchants, retailers, customers, and a variety of other businesses and entrepreneurs. Accepting digital payment methods is not always easy, even if it appears to be the case most of the time. A consumer can approach digital payment requirements effortlessly and conveniently with BharatPe's efficient features.

- People are fascinated by BharatPe due to the characteristics that make it so popular: BharatPe has a robust user interface that enables quick registration, login, bank account connection, credit card/debit card linkage, and wallet creation.

-
- A built-in live chat feature gives news about the newest deals, cashback, gift cards, and bill payments. The BharatPe app's merchandising panel enables quick registration, login, connecting bank, accepting payment, Q.R. code generating, and chat assistance.
 - BharatPe's admin panel gives you total control over your account, including analytical tools, a geo-location tracker, content management, user administration, and growth analytics.
 - Paisa Bolega and BharatPe Balance are two additional features for merchants on the BharatPe app.
 - Paisa Bolega is a new feature in the BharatPe App. Shopkeepers will be able to hear aloud immediate confirmation of all payments made through their BharatPe QR with Paisa Bolega - speech alerts of transactions - without touching the phone. This turns the shopkeeper's smartphone into a loudspeaker, which announces the transaction's value.
 - BharatPe Balance will provide immediate response information on the total money available to the shopkeeper across deposits, loans, and daily collections through quick response(Q.R.). It highlights the shopkeeper's daily Q.R. collections, the balance in the 12% interest account, and the loan limit all in one place. According to the company, BharatPe Balance gives the shopkeeper a single view of the business and available funds.

THE GROWTH OF BHARATPE

After Google Pay, PhonePe, and PayTm, BharatPe is the fourth-largest player in the UPI segment. It has over 1 lac BharatSwipe machines in 16 cities, which facilitate monthly transactions of over Rs. 1400 crores. In collaboration with Safehold, the platform has launched the BharatPe Gold program, a digital gold product for merchants. On February 20, 2021, BharatPe was valued at \$922 million, and on August 4, 2021, it became a unicorn. With an existing loan book of over \$100 million, the firm has previously issued over \$300 million in unsecured loans to 2 lac+ merchant partners. It is one of India's top five most valuable Fintech firms. BharatPe's yearly spending increased by about 895.3 percent in FY20, from Rs 23.02 crore in FY19 to Rs 229.12 crore. According to the assessment, during 2020, which concluded in March, the firm spent Rs 38.44 to produce a single rupee of revenue. It had an annual loss of Rs 216.32 crore, up to 9.4X from the previous year, and an EBITDA margin of -1684.4 percent.

BUSINESS FRAMEWORK DESIGNED BY BHARATPE

BharatPe is a unique Indian payments-free enterprise that everyone knows primarily serves merchants, offline stores, and businessmen/women.

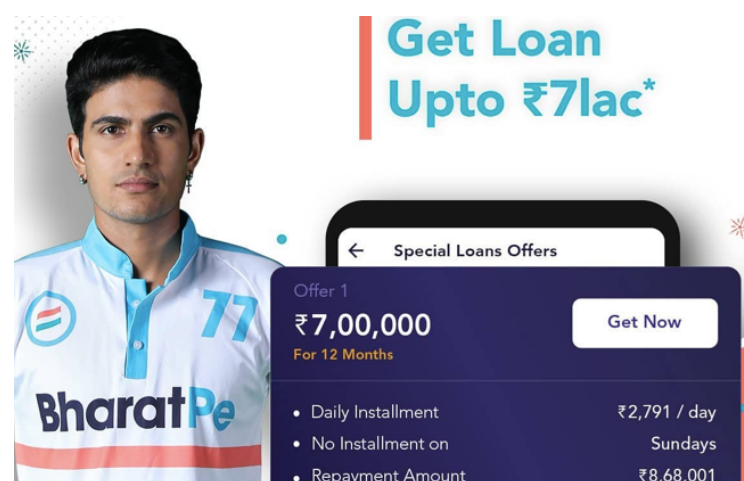
They accept payments from over 100 mobile apps downloaded in mobiles using India's UPI system by providing companies with a single interoperable Q.R. sticker. All well-known mobile apps can scan the Q.R. code and accept payments, including Paytm, WhatsApp, Mobikwik, Amazon Pay, BHIM, Google Pay, Freecharge, and True Caller. Retailers also receive prompt payment for transactions done the same day in their bank accounts. BharatPe has signed cricketers Rohit Sharma, Jasprit Bumrah, KL Rahul, Mohammed Shami, Ravindra Jadeja, Suresh Raina, Shreyas Iyer, Prithvi Shaw, Sanju Samson, Yuzvendra Chahal, and Shubhman Gill as brand ambassadors for 2021.

COVID VACCINE CASHBACK OFFER LAUNCHED BY BHARATPE

BharatPe, an Indian FinTech firm for merchants, recently announced the launch of a campaign to support the Indian government's COVID19 vaccine campaign. This program, which is part of 'BharatPe Cares', a corporate social responsibility effort, aims to raise awareness about Covid-19 vaccination among its six million+ merchant partners and encourage them to be vaccinated as soon as possible. BharatPe merchants will receive INR 300 instant cashback in their bank account by scanning their vaccination certificate using the BharatPe app in India's first vaccination Cashback scheme. (May 2021) In addition, the business announced the creation of a Covid-19 Vaccine Tracker on its app to provide essential Covid-19 vaccination information. Merchants can use this Vaccine Tracker to see details about nearby Covid-19.

LOANS AND CREDIT OPTIONS FROM BHARATPE

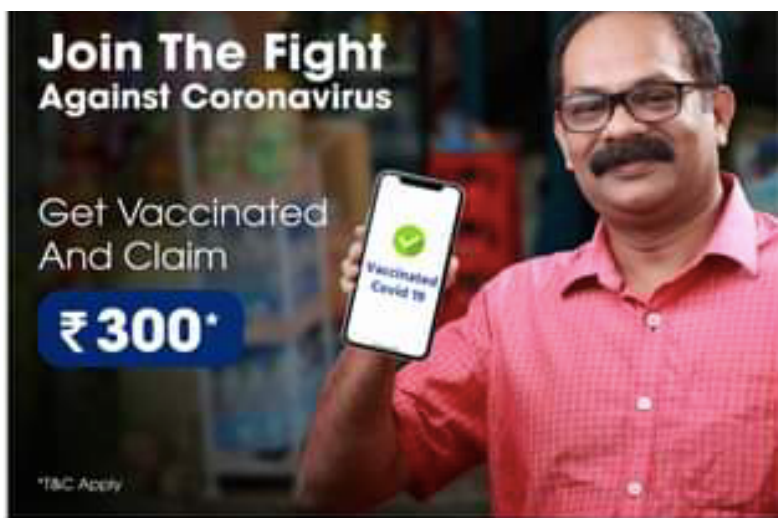
Small and Medium Enterprises (SME) traders can get unsecured loans from BharatPe as it disburses loans ranging from INR 20,000 to INR 7 lakh. The loan might last up to 12 months with a monthly interest rate of 2%. BharatPe has processed loans worth INR 3 crore every month since its inception. Merchants may repay loans with the company in convenient daily payments. Rather than requiring daily payments from retailers, BharatPe deducts the instalment amount from each day's Q.R. transaction total before bank settlement. This technique has a 96 percent payback percentage. BharatPe has introduced a credit limit on the XraIncome Card. The card is now known as the BharatPe Card. Retailers can use this card to get credit up to INR 25,000. The credit card provides merchants with a 30-day interest-free period and 1% cashback on every purchase. The BharatPe card may be used as a credit or debit card.



The advertisement features a cricketer in a white and blue BharatPe jersey on the left. On the right, there is a graphic of a smartphone displaying a loan offer. The offer details are as follows:

Special Loans Offers	
Offer 1	
₹7,00,000	Get Now
For 12 Months	
• Daily Installment	₹2,791 / day
• No Installment on	Sundays
• Repayment Amount	₹8,68,001

Vaccination Centers according to their location. They can also select to be notified when a space becomes available in their preferred location. BharatPe is dedicated to bringing financial inclusion to small business entrepreneurs and Kirana shop owners across the country. The company's mission is to create a Digital Bank that will empower the country's 50 million SME community by providing a range of financial solutions specifically intended to meet their needs and help them grow their enterprises.



THE FINANCIAL STRUCTURE OF BHARATPE

BharatPe's revenue model provides a digital payment platform to its customers and a separate app for its merchant partners, where the company credits them for their transactions digitally. Its main purpose is to provide retailers with financing at lower interest rates. The corporation relies on the interdependent cyclical relationship of credit and application usage to raise revenue on its platform. It's critical for a fledgling company like BharatPe to concentrate on the merchant side of their business.

BharatPe revealed that its yearly sales had increased by 7X from FY20 when they were Rs 110 crore and have now risen to Rs 700 crore in FY21.

In contrast to FY19, when they failed to produce any operating revenue, BharatPe's holding company, Resilient Innovations Pvt Ltd, and its lending operations successfully earned Rs 5.96 crore in FY20. The main sources of income were the small ticket unsecured loans made to merchants and the collection of commissions on transactions. While working for various banks and investing organizations, Ashneer Grover made an observation. He discovered that local merchants and shopkeepers were unwilling to pay for digital payments because retail margins were thin. They were, nevertheless, willing to pay interest on loans to develop their firm. However, due to a large amount of paperwork, it was difficult to obtain bank financing. BharatPe chose to fill this void with its innovative business model, offering loans to merchants or local shopkeepers to generate money.

BharatPe reported an annual loss of Rs 216.32 crore, up to 9.4X from the Rs 23.02 crore reported in FY19. During FY20, reported BharatPe's EBITDA margin to be -1684.4 percent.

BHARATPE'S COLLABORATION WITH NBFCs

The 12% Club, a first-of-its-kind investing, consumer lending, and borrowing app, has been launched by BharatPe in collaboration with NBFCs that have been certified by the RBI. The 12 % Club app is a significant step forward by BharatPe in the consumer arena, and it will be a significant benefit for customers:

- Consumers can invest without a lock-in period and earn up to 12% yearly interest.
- They can take out a loan at a low-interest rate of 12%.
- This software allows customers to borrow up to Rs 10 lacs and no collateral and a three-month repayment period.
- They can also withdraw their funds in part or in full at any time and from any location.
- For loans obtained through this platform, there will be no processing or prepayment fees.
- Customers might start investing as low as Rs 1000 and receive daily interest credit.
- By the conclusion of the current fiscal, BharatPe expects the 12 % Club app to have an AUM of \$ 100 million and a loan AUM of \$ 50 million.

INVESTORS AND FUNDINGS OF BHARATPE

BharatPe has raised a total of \$680.3 million in nine rounds of investment. The company wants to raise Rs 1,300 crores in debt, which would appear to be the largest financing round for an Indian startup this year. On August 4, 2021, BharatPe received a \$370 million investment from Tiger Global Management LLC and current investors Dragoner Investment Group,

Coatue Management, and Ribbit Capital.

As a result, the financial startup's valuation has risen to \$2.85 billion, making it the 19th unicorn of 2021.

FUTURE INTENTIONS

This fiscal, BharatPe, a fintech startup that processes approximately 300 crores in loans per month, intends to start a range of secured lending solutions for merchants. The loans are unsecured and have a monthly interest rate of around 2%, with merchants repaying the debt in convenient daily instalments. In March, Distributor-to-retailer (D2R) funding was introduced to give quick liquidity to distributors, wholesalers, traders, and dealers. It will also offer no-collateral loans of up to Rs. 50 lakh for a period of 7 to 30 days. Future Objectives of BharatPe the firm wanted to try something fresh, so they created Paisa Bolega this year. They claim that merchants' demands would increase. Therefore this is their next strategy. According to the company's founder, there has been no recent change in shopkeeper loan demand, so they intend to continue through with it, and they believe that rental payments and inventory payments will soon grow. In a press release dated July 15, 2021, BharatPe revealed its future ambitions to expand its POS business. BharatPe, which is now ranked third in private POS systems, intends to triple the size of its POS company, BharatSwipe. BharatPe wants to expand to \$ 6 billion in yearly TPV by the end of FY22. BharatPe plans to rapidly scale up its lending sector, aiming for a 10x increase in lending by FY23.

THANK YOU

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