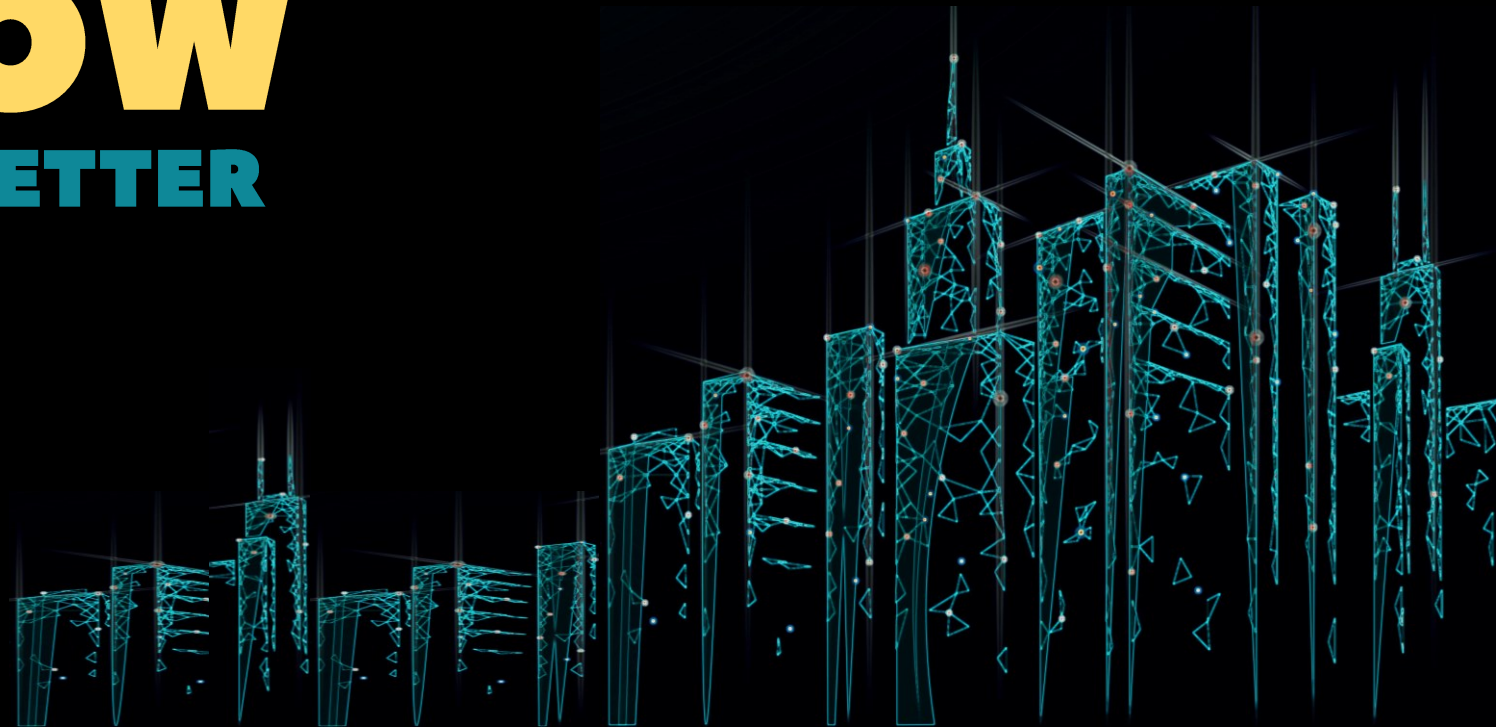
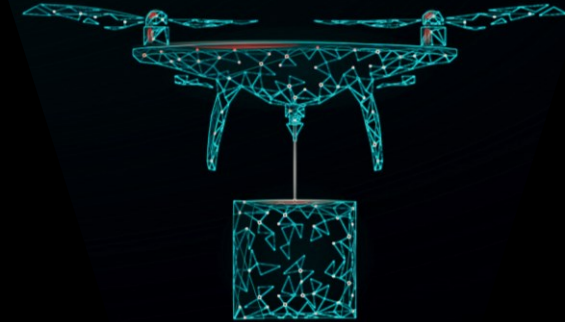


STARTUP
INDIAN

RIGHT NOW[®]

THE STARTUP NEWSLETTER

MAY'21



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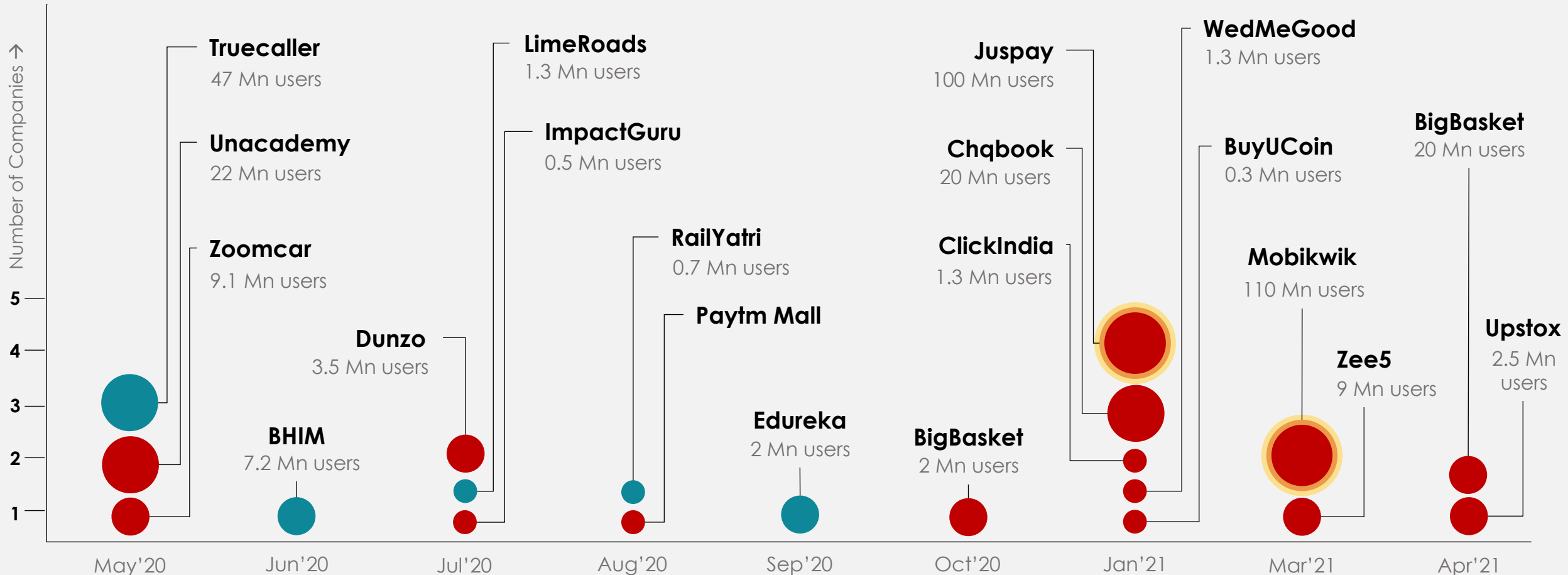


MORE LEAKS THAN UNICORNS

The circles represent Indian Startups that suffered a data breach/leak in the past 1 year and the numbers quantify the user accounts whose data was compromised and put up for sale....(contd.)

● Data Leak: Data is compromised due to no/low security

● Data Breach: Data is stolen and exposed by hackers



The thing with security of any kind, be it the locks on your main door, or the firewalls running behind applications is that it is hard to tell what came first...was it the cheap door lock that anyone could pick or the menace of the thieves who would have broken-in despite your security. Nonetheless, one cannot afford to fall asleep, especially when the threat out there is growing by the day.

In the past 1 year more than **20 Indian Startups** have lost the personal information of a combined **360 Million** user accounts by way of a Data Leak or Breach.

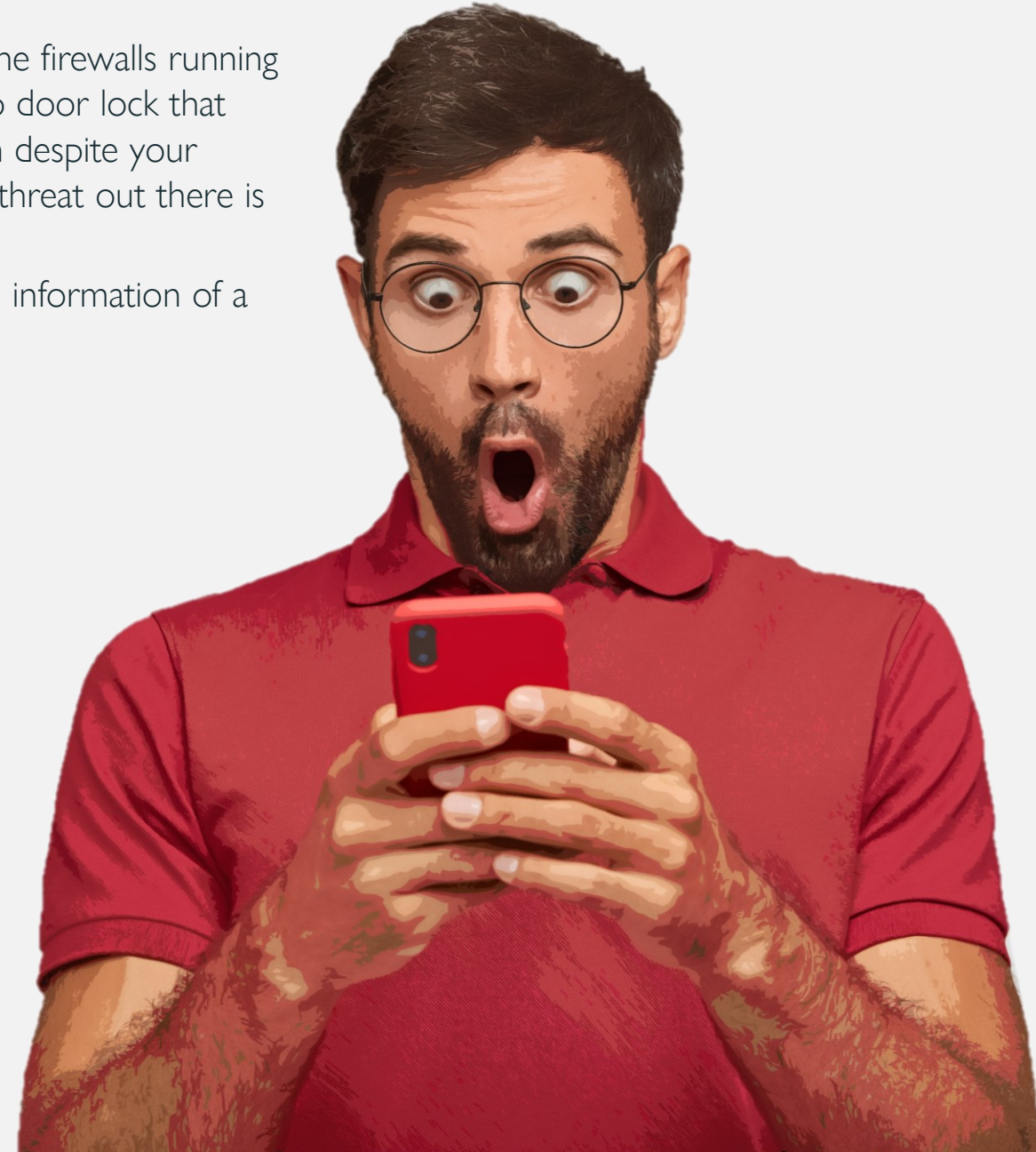
a moment of silence

.
.

Okay now we're both angry! C'mon let's ask – Was my data also involved? Do they know where I stay? Why are these startups so irresponsible? Is it only Startups? Is it just Indian companies? Is anyone even doing anything about it?!?!?...arghhhh!

Okay calm down!

From the list of startups that compromised your data...to what the hackers actually took...to the resources you need to safeguard yourself, we've covered it all for you [HERE](#)



DO YOU HAVE AN APPETITE FOR ZOMATO'S IPO?

Food bearing, discounts lading, Zomato dressed in red-and-white like a Santa Clause has not only been a darling for its customers but finally also for the Indian Startup ecosystem now. The day has come where we witnesseth an Indian tech Unicorn filing for an IPO as Zomato seeks \$1.1B (Rs. 8,250 Cr) in its IPO prospectus.

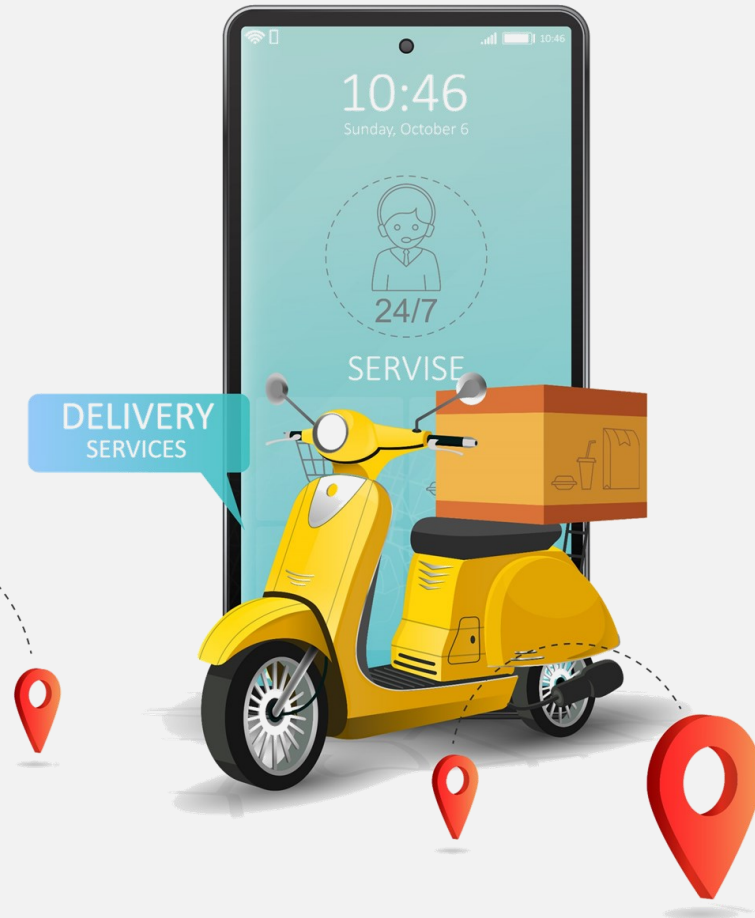
We've done a deep dive into the Indian Food tech industry before, so we definitely saw this coming.

But is it all rosy? Or are we missing something here? Let's find out...

Q One of the biggest reasons we believe led to Zomato's IPO is it finally cracking the formula for achieving positive unit economics (at least that's what they say). It basically means that Zomato is finally making some money per order as commissions earned from restaurants + delivery charges now exceed the amount they pay for delivery, discounts and other direct costs (Finally!). **But has Zomato really become profitable?**

A Unit economics is derived **without** including fixed costs like salary, rent marketing and other general expenses. (Oh boy!) Zomato still loses **50 paise on every rupee** it earns as revenue compared to **7 paise lost on every rupee** earned as revenue by its peer – DoorDash (Online Food Delivery Company listed in USA).

We've got more insights [HERE](#) for you to make a more informed decision about this IPO.



PODCAST – WHO CAN FLY A DRONE IN INDIA?

Have you seen those small objects that hover in the air? That look like helicopters, definitely sound like one but can only fit probably a mouse in it. Well in common parlance they're called Drones and it's alright if you haven't seen one yet. Because in a short while they're going to be all around you.

Yes, Startups, Legacy Businesses and Governments are all working together to build the Drone Industry in India. But among all this, we're wondering,

- Who can fly a drone in India?
- Are they safe enough?
- And what is the Government doing about it?

If you're curious too, tag along with Ritwik, to the conversation below, as he converses with John, the founder of the Indian Institute of Drones.



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**OUR
WEBSITE**



**APPLE
PODCAST**



SPOTIFY

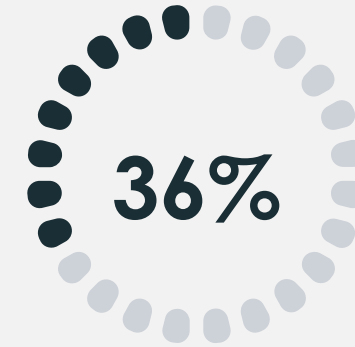


**GOOGLE
PODCAST**

WHAT THE NUMBERS!

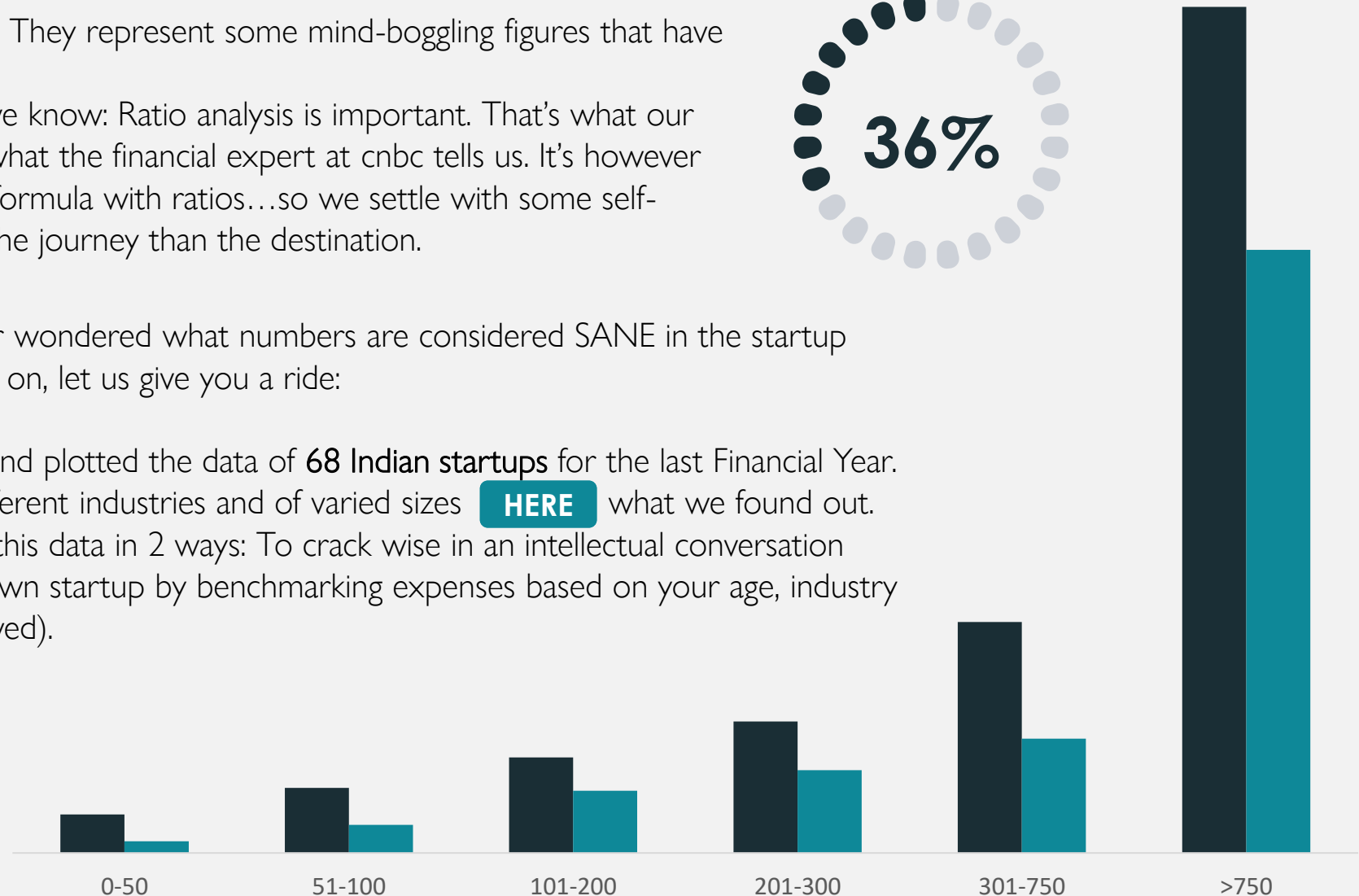
You see the fancy looking bars on the right? They represent some mind-boggling figures that have intriguing revelations.

Okay fine, they're ratios! And here's what we know: Ratio analysis is important. That's what our school accounts teacher told us and that's what the financial expert at cnbc tells us. It's however funny that no one ever tells us the success formula with ratios...so we settle with some self-imposed wisdom that – life is more about the journey than the destination.



But have you ever wondered what numbers are considered SANE in the startup world? If yes, hop on, let us give you a ride:

We dug around and plotted the data of **68 Indian startups** for the last Financial Year. Startups from different industries and of varied sizes [HERE](#) what we found out. (PS: You can use this data in 2 ways: To crack wise in an intellectual conversation and/or for your own startup by benchmarking expenses based on your age, industry and funding received).



1228000000000

That's the amount (in ₹) by which Amazon's enterprise value has grown on a **Daily** basis from its inception in 1994 upto 2020.

PS: Reliance's Daily Growth Rate stands at ₹85 Crore (From 1973 upto 2020).

Oh wait! Did we just mention Reliance and Amazon together? This opens a whole new chapter now. Ok we're on it. Look out for an article titled **DECODING AMAZON** coming out next month.

MONEY VS CONTROL DILEMMA

Start a venture

- Sachin leaves his job (finally) and starts his own venture – Startup Technologies. He is confident he is going to be a billionaire (every-Startup-founder-ever)
- Venture Capital Firms (VCs) try to own a slice of this promising venture

01

Production Kicks Off

By using his savings, Sachin starts production without giving a stake to external investors and VCs. He wants to be both:
KING AND RICH

02

Funding Needed

Soon Sachin hits a cash crunch and is unable to serve his current clients or acquire any new

03

04

Offers received

Sachin approaches different kinds of investors for funds and receives 3 offers

THE DILEMMA

Inexperienced Angel Investor

Offering \$10mn in 2 phases for 50% of the company and 1 of 3 seats on the board

Local VC Firm

\$1.5mn for 33% in the company

Global VC Firm

You get: World class advisory from experts and of course Funds.

You give: 18% stake in Company and 3 of 5 positions in the board i.e. **control is lost.**

[Allow us to help you decide](#)

WHAT'S HAPPENING AT SIVM?

Last month we launched our self-developed game called STARTUP INDIAN VIRTUAL MARKET (SIVM). In case you don't know – it is a fantasy platform where you can put your virtual bets on Indian Startups that impressed you and get exciting prizes (only if you win of course). Simple! You can know more about it [HERE](#)

In the last 1 month, India witnessed:

- rise of 2 new Unicorns
- 4 funding rounds and 1 ESOP round in Indian Unicorns

making our broad Unicorn Index to rise by **5.86%**. The combined value of the Indian Unicorn Club is now a whopping **\$148.02 Billion**.

So who are the two new Unicorns?

1. Urban Company

You know Urban Company right? Where you can book carpenters, electricians, barbers, plumbers and so much more. The one that has given a fresh shape to the gig workers industry in India. Yes... that one. You see UC raised \$188Mn in Series F funding round, achieving a valuation of \$2Bn.

2. Moglix

This 6 years old Startup is a **B2B E-commerce Marketplace** for different kinds of industrial tools. The Company raised \$120Mn in Series E funding round, at a valuation of \$1Bn.



Which are the 5 Unicorns who got new funding?

1. **Byju's**, the Edtech behemoth, raised a humungous **\$1Bn+** at a valuation of \$15 Billion. That's not it..it's already in talks for a new round of funding which is likely going to give it a valuation surpassing Paytm's \$16 Billion.
2. **Pine Labs**, that offers merchants payment terminals, working capital and invoicing tools raised \$285 Million at a valuation of \$3 Billion.
3. **Firstcry**, the E-commerce platform for baby products, raised \$315 Million, achieving a valuation of approximately \$2 Billion.
4. **Lenskart**, the E-commerce platform for eyewear, raised \$300 Million at a valuation of \$2.5 Billion.

The 1 ESOP round

A company which hasn't raised a single round of funding from external investors is now worth **\$2 Billion** based on its recent \$250 Million ESOP plan. Yes, we are talking about **Zerodha**, whose valuation has doubled in a year.

And while we're at it, word has been around that Zerodha's founders will be paid a **salary of INR 300 Cr per annum**. However, in a tweet made by the Co-founder yesterday, the amount is only a maximum limit, actual salary paid could be much less.

START PLAYING NOW



WHAT ELSE IS BUZZING?

- **It's coming of age at India Inc.:** Tata Sons has acquired a 64% stake in online grocery seller BigBasket, buying out majority stake of Chinese Investor Alibaba. With this deal, Tata is now in direct competition with Amazon, Flipkart and Reliance's grocery service. The temperature is soaring in E-commerce biz.
- **For all the Shark Tank and Cryptocurrency fans out there:** Mark Cuban, US Billionaire, has invested in Indian blockchain company, Polygon. This company's cryptocurrency recently crossed the market capitalization of \$14B.
- **Riding on the Atmanirbhar wave:** Twitter's local rival Koo, has raised \$30M in series B funding led by Tiger Global. Many top ministers as well as government departments have joined the platform and are regularly sharing updates on it. What's

interesting to note is that it is the only social media website which has complied with the new IT intermediary rules of Indian government.

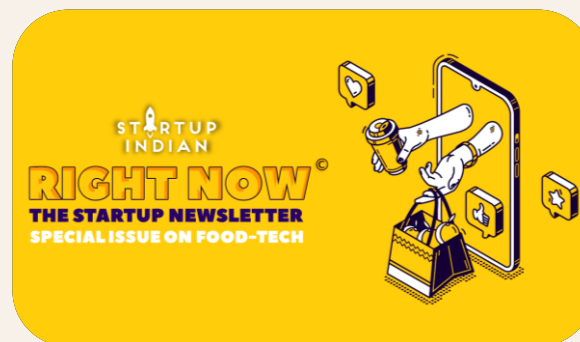
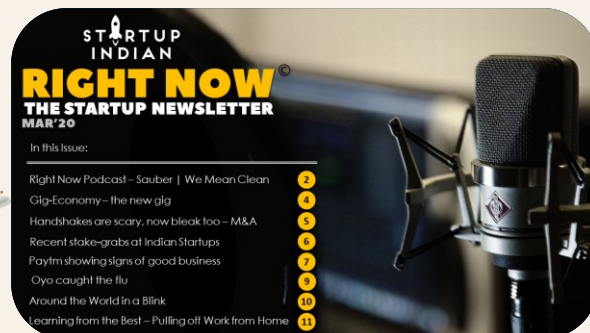
- **Another Unicorn?** Amazon-backed Indian digital insurance company Acko, is planning to raise upto \$200M. If the funding comes through, it will enter the Unicorn Club in India. It is also considering going public by year end. As of last year, Acko claimed to have provided 650 Mn policies to 60 Mn unique customers to date.
- Groww, a **5-year-old** startup has acquired the mutual fund business of Indiabulls AMC which has been in business for over a **decade** for only INR 175 Crores.
- **At Startups vs. Covid this month:** Swiggy prioritising essential deliveries through it's hyperlocal delivery vertical, Genie. Ola and Flipkart have partnered with GivelIndia

foundation and state government respectively to provide free oxygen concentrators and related supplies.

- **We're going international:** Homegrown digital payments giant Paytm is likely to get about 7% stake in QR code-based payments business PayPay Japan. PayPay is run by a joint venture between SoftBank and Yahoo Japan, with Paytm as the technology partner.



PREVIOUS ISSUES




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