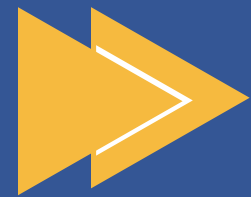




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THE INFOWAVE: Your Weekly Pulse



Valuation, Finance & Fund Raising

October 2023





slice

1. FINTECH UNICORN SLICE TO MERGE WITH NORTH-EAST SMALL FINANCE BANK

Fintech unicorn Slice and North-East Small Finance Bank (NESFB) have announced their merger in a move to expand their financial accessibility.

In March 2023, Slice acquired a 5% stake in Guwahati-headquartered bank for about **\$3.42 million**. This roughly valued the small finance bank at **\$68.4 million**.

Customers of both entities will have a broader range of products, omnichannel offerings, and a seamless experience in the future.

Read full article :-

<https://economictimes.indiatimes.com/tech/startups/fintech-slice-merges-with-north-east-small-finance-bank/articleshow/104151416.cms?from=md>

About Slice-

Slice, formerly known as SlicePay, is a Bengaluru based credit and payments startup, which also has an NBFC licence. The Seven-years old startup, enables college students to buy collateral-free products and services online on EMI through an app.

Slice was last valued at around **US\$ 1.8 billion during its previous fund-raising last year.**

- Its **operating revenue** grew **4.18X** to **Rs 283.08 crore (\$35 million)** during **FY22** from **Rs 67.7 crore (\$8 million)** in **FY21**.
- Revenue spiked almost three-folds and expected to be around **Rs 870 crore (\$108 million)** in **FY23**.

About North-East Small Finance Bank (NESFB)-

North-East Small Finance Bank Limited (Guwahati based) is the wholly owned subsidiary of RGVN (North-East) Microfinance Limited.

- North-East Small Finance Bank registered **Rs 314 crore (\$39 million)** in **revenue in FY22**

Competition Analysis -

AU Small Finance Bank - Jaipur based, 1996 founded, public company.

- Revenue in March 2023- Rs 9,239 crore (\$1154 million) , Market Capitalisation- (\$5937million)

Ujjivan Finance- Bangalore based.

- Revenue March 2023- Rs. 4754 crore (\$594 million), Market Capitalisation- (\$1400 million)

Suryoday Small Finance Bank-

- Revenue March 2023- Rs. 1281 crore (\$160 million), Market Capitalisation- (\$225 million)

Equitas Small Finance Bank-

- Revenue March 2023- Rs. 4831 crore (\$603 million), Market Capitalisation- (\$1375 million)



2. TIGER GLOBAL-FUNDED BIZONGO RAISES \$50 MN IN SERIES E

Bizongo has raised **\$50 million in a Series E** funding round led by existing investor Schroder Adveq. The fresh funding has come after a gap of more than one year for the Mumbai-based startup.

International Finance Corp, Chiratae Ventures, B Capital and British International Investment also participated in the round.

It has raised the fresh round at a **valuation of \$980 million**. The startup, which is close to unicorn valuation, has raised **\$260 million** to date.

Read full article- <https://entrackr.com/2023/10/tiger-global-funded-bizongo-raises-50-mn-in-series-e/>

About Bizongo:-

- Founded in the year 2015, Mumbai based, vendor digitization platform with embedded financing that enables bringing your vendors online and digitizing their supply chains.
- Bizongo was founded in 2015 by three IIT graduates Aniket Deb, Sachin Agrawal, and Ankit Tomar.
- The company focuses on packaging, textiles, apparel, and other contract manufacturing goods as its product portfolio and has a network of over 1500 curated manufacturers across these categories.
- The current valuation is a 63% increase on its previous valuation in August 2022 (**\$600 million at 2.8x of FY 22 revenue**).
- In the fiscal year 2022, Bizongo reported operating revenue of **\$213 million** as on Mar 31, 2022.
- Bizongo acquired Hexa and Clean Slate Technologies. The firm is also looking for fresh acquisitions this year.
- Over the past two and a years, Bizongo has shifted its focus within the raw material sector. While it originally concentrated on apparel and packaging, the company has transitioned to a stronger emphasis on metal.

Competition Analysis -

1. **UDAAN- Revenue – FY 23** operating revenue of **\$701 million (drop of 43% from previous year)** Last valuation - **\$3.1 billion (4.4x of FY 23 revenue)**.



3. ONSURITY RAISES \$24 MN IN SERIES B LED BY IFC

Employee healthcare platform Onsurity has raised **\$24 million** in a **Series B** funding round led by International Finance Corporation (IFC).

It raised **\$16 million** in its Series A round led by Quona Capital in August 2021.

The insurtech startup will utilize this funding to work with its insurance partners to facilitate claims experience for its members, these funds will bolster the company's vision to forge partnerships with more than 50,000 companies.

Read full article :-

<https://www.livemint.com/companies/startups/insurtech-startup-onsurity-raises-24-mn-led-by-ifc-11696829456520.html>

About Onsurity

- Founded by Kulin Shah and Yogesh Agarwal in February 2020, Onsurity offers subscription-based healthcare benefits to SMEs (small to medium enterprises), startups, and enterprises. It aims to make healthcare benefits accessible to India's 'missing middle'.
- The platform provides features such as health insurance, discounts on medicine orders & health check-ups, fitness rewards, doctor teleconsultation, and much more.
- During FY22, the company's revenue from operations shot up **4.4X to Rs 14.1 crore (\$1.7 million)** as compared to **Rs 3.22 crore (\$0.40 million)** in FY21.

• **Competition Analysis –**

1. Plum Insurance– It has raised \$15 million in series A (May 2021)

- Annual Recurring Revenue- **\$5 million in FY23**, Valuation (2021)- **\$87 million**

2. Acko Insurance- Acko Insurance has earned **\$219 million** in FY2023.

- Valuation (2021)- **\$1100 million**

2. Envera Health- It has raised total of **\$16 million** till date (**April 2018**)

- Valuation (2023)- **\$31.7 million (Acquired by Access Healthcare)**

3. Digit Insurance- It has raised total **\$478 million** over 11 rounds (**April 2023**)

It has reported the revenue of **\$639 million (May 2022)**

- Valuation (2022)- **\$4000 million**



4. SAREGAMA ACQUIRES PEAK XV-BACKED POCKET ACES

Music label company Saregama is all set to acquire a **51.82%** stake in the digital entertainment startup Pocket Aces for **Rs 174 crore or \$20 million**.

Saregama is also investing **Rs 15 crore (\$1.8 million)** worth of primary shares.

The company plans to purchase a **92.61%** stake from **Pocket Aces** which includes both tranches and the primary issue of shares.

Read full article :-

<https://m.economictimes.com/tech/startups/saregama-to-acquire-peak-xv-backed-pocket-aces-valuing-digital-content-startup-at-rs-334-crore/articleshow/104019323.cms>

About Saregama-

- Saregama India Ltd., formerly known as The Gramophone Company of India Ltd., is India's oldest music label company.
- Saregama owns music repertoire across film music, non-film music, Carnatic, Hindustani classical, devotional music, etc. in over 25 Indian languages.

About Pocket Aces-

- Focusing on mobile video, Pocket Aces is a Mumbai based digital entertainment company. Its properties include the likes of FilterCopy, Dice Media, Gobble, and an interactive e-sport app Loco.
- Pocket Aces has received funding from the likes of Kunal Shah, Sandeep Tandon, 3one4 Capital, Sequoia Capital, Nu Ventures, and North Base Media.

Pocket Aces has raised total \$20 million till date.

- Pocket Aces' revenue from operations was **Rs 104 crore (\$13 million) in FY23**, and revenue has grown by **34% CAGR** over the last four years.

The deal values Pocket Aces at around **Rs 335 crore (\$41 million) (~3.2x of FY 23 revenue)**



5. ZERODHA VALUES ITSELF AT \$3.6 BN, MORE THAN UPSTOX AND GROWW'S WORTH.

Stock broking company Zerodha has valued itself at **\$3.6 billion** or **Rs 30,000 crores**.

This is an almost 80% spike in its valuation from a self-assessed valuation of **\$2 billion** when the firm announced a **Rs 200 crore (\$25 million)** ESOP buyback plan in 2021.

The firm's profit also grew 38.5% to **Rs 2,907 crore (\$363 million)** in the fiscal year ending March 2023.

The bootstrapped startup reported a total income of **INR 6,875 Cr (\$859 million)** in **FY23**, an increase of **38%** from **INR 4,964 Cr (\$620 million)** in the previous fiscal year.

Read full article:-<https://medial.app/news/zerodha-values-itself-at-dollar36-bn-more-than-upstox-and-growws-worth-a6facd37371a5>

About Zerodha-

- Zerodha Broking Ltd. is an Indian financial services company (member of NSE , BSE, MCX, MCX-SX) offering institutional and retail brokerage, currency and commodity trading , mutual funds and bonds. Founded in 2010, the company is headquartered in Bengaluru and has a physical presence in many major Indian cities.
- In 2019, Zerodha started True Beacon, the Alternative Investment Fund focused on providing returns in volatile markets through their defensive investment strategy. The \$2 million minimum investment fund was able to generate a return of more than 13% in its first year. In 2020, Zerodha applied for a license to set up an AMC mutual fund in India.

Competition Analysis –

- Groww has raised **series E** funding of **\$251 million** at a valuation of **\$3 billion** on Oct 2021 and has raised total of **\$393.3 million** and has reported the revenue of operating income of **Rs 1,294 crore (\$161 million)**.
- In October 2023, Groww has surpasses Zerodha to become the brokerage with highest number of Active Users of **6.63 million**.
- Upstox has raised in Series C round of **\$108 million** in November 2021 and has raised total of **\$143 million** till date and reported the revenue of **Rs 1,000-crore (\$125million)** in (FY 2022-2023). It has reported the valuation of **\$3.4 billion**.

Important Terminology

REVENUE MULTIPLE

A revenue multiple is one of the parameters used in Relative Valuation, where an asset's worth is estimated by comparing it to the market's pricing of comparable assets.

It is commonly used to value startups where there is no or very low profitability.

- **EV/ Revenue = Enterprise Value / Revenue**

The EV/Revenue calculates the value of the firm's operations to all stakeholders, such as debt and equity investors.

The calculated valuation is the company's enterprise value, which represents the total firm value, i.e., the value of a company from the perspective of all its stakeholders, such as its common equity shareholders, preferred stockholders, and debt lenders.

Quick-View

- Forex reserves fall **\$14.15 bn** in last one month on valuation impact, RBI intervention
- Groww surpasses Zerodha in terms of active users
- NoBroker launches new business with conversational AI platform CallZen.
- Dream11 to discontinue its investment arm Dream Capital

About us

Founded in 2011, we are a boutique consulting firm focused on providing world class financial consulting, valuations and corporate finance services.

Managed and advised by Registered Valuers with more than 70 years of cumulative experience and more than 200 valuations assignments.

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- Fair Value Valuations as per Ind AS and Companies Act
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