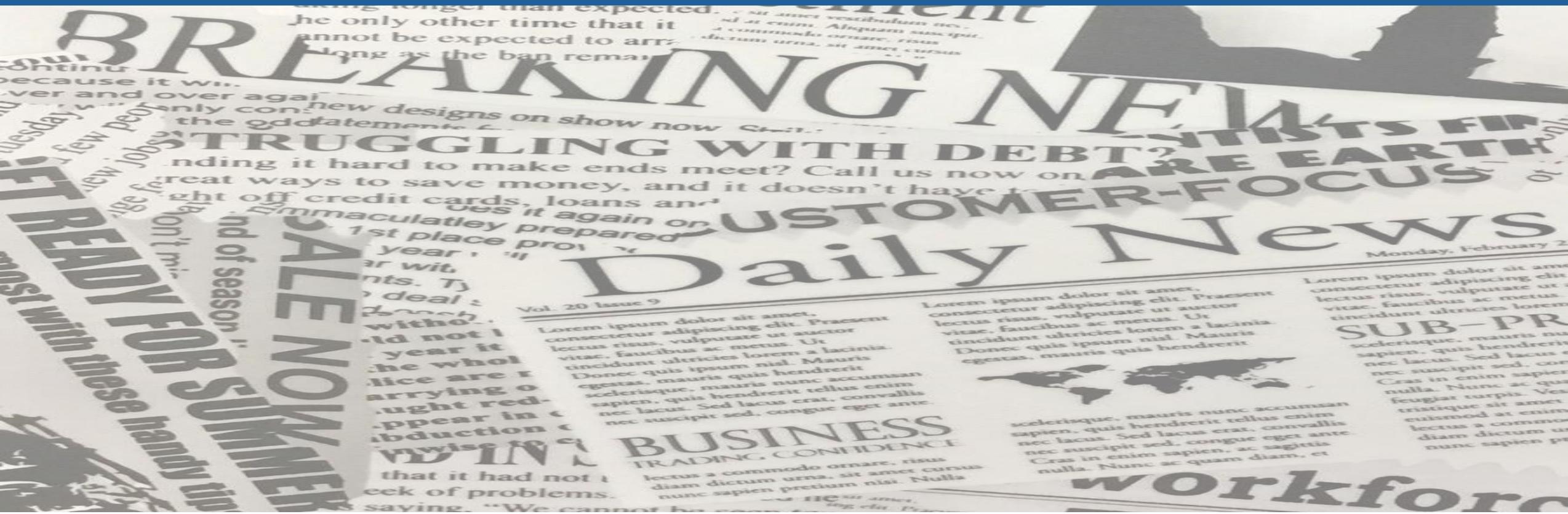




**FIN VAL**  
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# THE INDIAN INFOWAVE: YOUR WEEKLY PULSE

❖ Finance, Valuation & Fund Raising



## Research Articles published this week

### ➤ **Online Gaming Bill 2025: What It Means for India's Gaming Industry**

The Online Gaming Bill (Aug 2025) bans all Real Money Games in India, reshaping a ₹35,000 crore market where RMGs drove 85% of revenues. While this risks ₹20,000 crore tax loss and disrupts firms, e-sports, casual gaming, and global expansion still offer growth, creating 250,000 jobs despite industry upheaval.

[Read More](#)

### ➤ **True Cost of Ownership: Analyzing ESOP Expense Across India's Startup Ecosystem**

We analyzed ESOP expense across Indian startups and found they represent a major cost – up to 30% of employee expenses, compared to 1% in traditional IT firms. ESOP costs rise with valuation and scale, though many startups saw a dip in FY24. These expenses play a crucial role in valuations, compliance, and employee retention, making them strategic financial levers.

[Read More](#)

## □ **Altum Credo — Rs 170 Cr equity from BII**

Altum Credo Home Finance Pvt Ltd, a non-deposit taking HFC focused on first-time homeowners in low-income urban and semi-urban segments, received Rs 170 crore (~\$20.4M) in fresh equity from existing investor British International Investment (BII). The round strengthens the company's capital base to expand in existing southern and western India markets and upgrade digital underwriting/collections.



## **Finval Insight**

**Brief on Indian Home Loan Market:** The individual Home loan portfolio for the industry (incl. banks and HFCs) stood at Rs 33 trillion as of March 2024, reflecting a steady growth of ~13% CAGR over the last six years. In the context of total systemic credit, housing loans constituted 14% of the overall share as of March 2024.

**Finval Analysis:** Assuming pre-money of ~**Rs 1,100–1,200 Cr** (typical 1.0–1.1x AUM for early-scale affordable HFCs with improving profitability), the raise likely takes CRAR comfortably above regulatory minimums, enabling **6–8x equity leverage**. Banks dominate with cost advantages, while **HFCs hold steady 18–19% share by serving tier-2+ cities**. Asset quality has improved (**GNPA ~2.2%**), profitability rebounded to pre-pandemic levels with easing credit costs, and gearing remains comfortable. Risks include tighter liquidity and rising competition, but with stable credit costs and healthy returns (**ROTA ~2.2–2.3%**), HFCs are positioned for sustainable medium-term growth.

### ❑ **Kiwi — raised \$24M in Series B**

Kiwi, a Bengaluru-based fintech enabling credit-card-on-UPI via RuPay rails, raised \$24M led by Vertex Ventures SE Asia & India with participation from Nexus Venture Partners, Stellaris, and Omidyar Network. Since launching in 2023, Kiwi reports 200,000 cards issued, >5M monthly merchant transactions across 600 cities, and partnerships with YES Bank and AU Small Finance Bank; it expects to add two large bank partners this fiscal and targets 1M cards by 2027. The capital will accelerate product development and strengthen unit economics amid rapid adoption of the Credit on UPI category following RBI/NPCL enablement



**Brief on Indian UPI Market:** UPI transaction value for FY 2025 surpassed ₹260 trillion, In a single month—July 2025—UPI handled transactions worth ₹24.03 lakh crore (~₹24 trillion).

**Finval Analysis:** Category tailwinds - UPI's ~**350M+** unique users vs ~**40–50M credit-card users** creates a structural penetration gap. Credit-on-UPI multiplies acceptance ~35x vs POS-only, lowering CAC per transacting user. Valuation Framing - **At \$24M Series B**, a reasonable post-money for a high-growth fintech with 200k cards is \$200–300M (10–15x annualized gross profit run-rate), discounting regulatory risk. Opportunities lie in financial inclusion, alternative credit, and AI/blockchain adoption, with competition led by One card, Lazy Pay, Slice, Razorpay, Policybazaar.

Peers	Revenue (2024)	Current Valuation
One Card	1,425 Cr	11,600 Cr
Slice	1,200 Cr	12,450 Cr

□ **Enmovil — Raised \$6M growth round**

Enmovil, a Hyderabad-based enterprise supply chain planning platform, raised \$6M led by Sorin Investments.

Enmovil integrates with ERP systems to optimize dispatch, routing, and demand forecasting for large manufacturers and CPGs. The company plans to deepen AI features, expand into new verticals, and scale internationally. Client references reportedly include marquee Indian enterprises, with the platform targeting measurable reductions in logistics costs and improvements in on-time delivery.



**Brief on Indian AI Logistics Market:** It is projected to witness a CAGR of 31.66% during the forecast period FY2025-FY2032, growing from USD 756.31 million in FY2024 to USD 6.8 Billion in FY2032

**Finval Analysis:** India's logistics **spend (~14% of GDP)** and fragmented trucking networks create demand for route optimization and predictive planning. Enterprise SaaS with workflow lock-in can sustain net **revenue retention >110%** if modules expand from planning to execution (control tower, carrier management). Global peers (Project44, FourKites) raised growth rounds at **revenue multiples of 6–10x at scale**; for earlier-stage Indian SaaS, **3–6x ARR** is typical. A \$6M round suggests disciplined scaling toward \$3–5M ARR. AI adoption is no longer optional but a survival driver in Indian logistics. With **COD still 60% of e-commerce transactions** and last-mile inefficiencies eating into margins, startups like Enmovil stand to benefit by integrating predictive AI, IoT, and sustainability solutions to compete with well-funded SaaS peers.

## □ R for Rabbit — Raised \$27M primary-secondary deal

Baby-care brand R for Rabbit raised \$27M in a round led by Filter Capital and 3one4 Capital, facilitating growth capital and a partial exit for early investor Xponentia Capital. The company will deploy funds to accelerate product innovation, distribution, and brand building across digital and offline channels.

The brand reports ARR north of \$30M, with strong momentum in strollers, car seats, and nursery essentials.



R for Rabbit

## Finval Insight

### **Brief on Indian Baby Care Products Market:**

Market size was at \$12.73 billion in 2022 and projected to grow at a CAGR of 17.25% reaching a value of \$38.51 billion by 2029.

**Finval Analysis:** Higher ASP durables support gross margins of 45–55%, at scale it reduces logistics costs and lesser the product returns in proportion. At \$27M with partial secondary, an implied **post-money of ~\$150–200M (5–7x forward gross profit)** is plausible given category leadership and improving EBITDA trajectory. **Competitive set.** FirstCry, Luvlap, Chicco, and Amazon-native brands; offline presence is a moat.

## ❑ **Motilal Oswal PE Raises \$800M in First Close of Fund V**

Motilal Oswal Alternates, the private equity arm of Motilal Oswal Group, secured **\$800 million** in the first close of its fifth fund—**India Business Excellence Fund V (IBEF V)**—approaching its hard cap of \$950 million. This represents the strongest capital raise by the firm to date, underscoring confidence in India’s mid-market and growth sector opportunities. The fund is expected to support expansion-stage companies across sectors like healthcare, consumer, fintech, and industrials.



## Finval Insight

**Brief on Indian PE & VC Market:** Indian PE and VC growth rose 9% in investments to reach \$43 billion across 1,600 deals after 2024.

**Finval Analysis:** With a near-\$1B vehicle, IBEF V targets robust businesses—likely targeting growth-equity rounds and mid-cap buyouts. A distinct shift is evident: capital-heavy funds in the **~\$500M–1Billion** bracket can deploy **€50M–100M per company**, aiming for significant minority or controlling stakes. Typical India PE funds aim for **2.5–3x returns over a 5–7-year** horizon with 20–25% IRR. At this fund size, Motilal Oswal will **need ~8–10 marquee exits** to return capital.

## Important Terminologies

**ARR (Annual Recurring Revenue)** is a key SaaS and subscription-based business metric that represents the predictable, recurring revenue a company expects to generate in a year.

It helps measure long-term financial health, growth predictability, and performance trends. Investors and management prefer ARR as it eliminates one-time revenues, focusing only on sustainable, repeatable income.

Higher ARR indicates strong customer retention, steady cash flow, and scalability of a subscription model business.

## 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 valuation assignments.

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