

▼  
31 JANUARY 2023

# DEMYSTIFYING STARTUPS



# STARTUP VALUATIONS

**It is far better to be  
a wonderful  
company at a fair  
price, than being a  
fair company at a  
wonderful price**



**Mai aapko sharminda nahi karna chahta  
but it is a joke**



# WHY DO STARTUPS NEED VALUATION?

**ASSESS THEIR  
NETWORTH**

**ATTRACT THE  
INVESTORS**

**FOR FUTURE  
BUSINESS DECISIONS**

**CONSIDER FOR  
FUTURE GROWTH**

**USEFUL FOR  
STRUCTURING THE  
BUEINSSS**

**ALIGN INTERESTS OF  
DIFFERENT  
STAKEHOLDERS**



# VALUATION METHODS

**THE BERKUS  
METHOD**

**SCORECARD  
VALUATION  
METHOD**

**COST - TO -  
DUPLICATE  
METHOD**

**COMPARABLE  
TRANSACTIONS  
METHOD**

**RISK  
FACTOR  
SUMMATION  
METHOD**

**DISCOUNTED  
CASH FLOW  
METHOD**

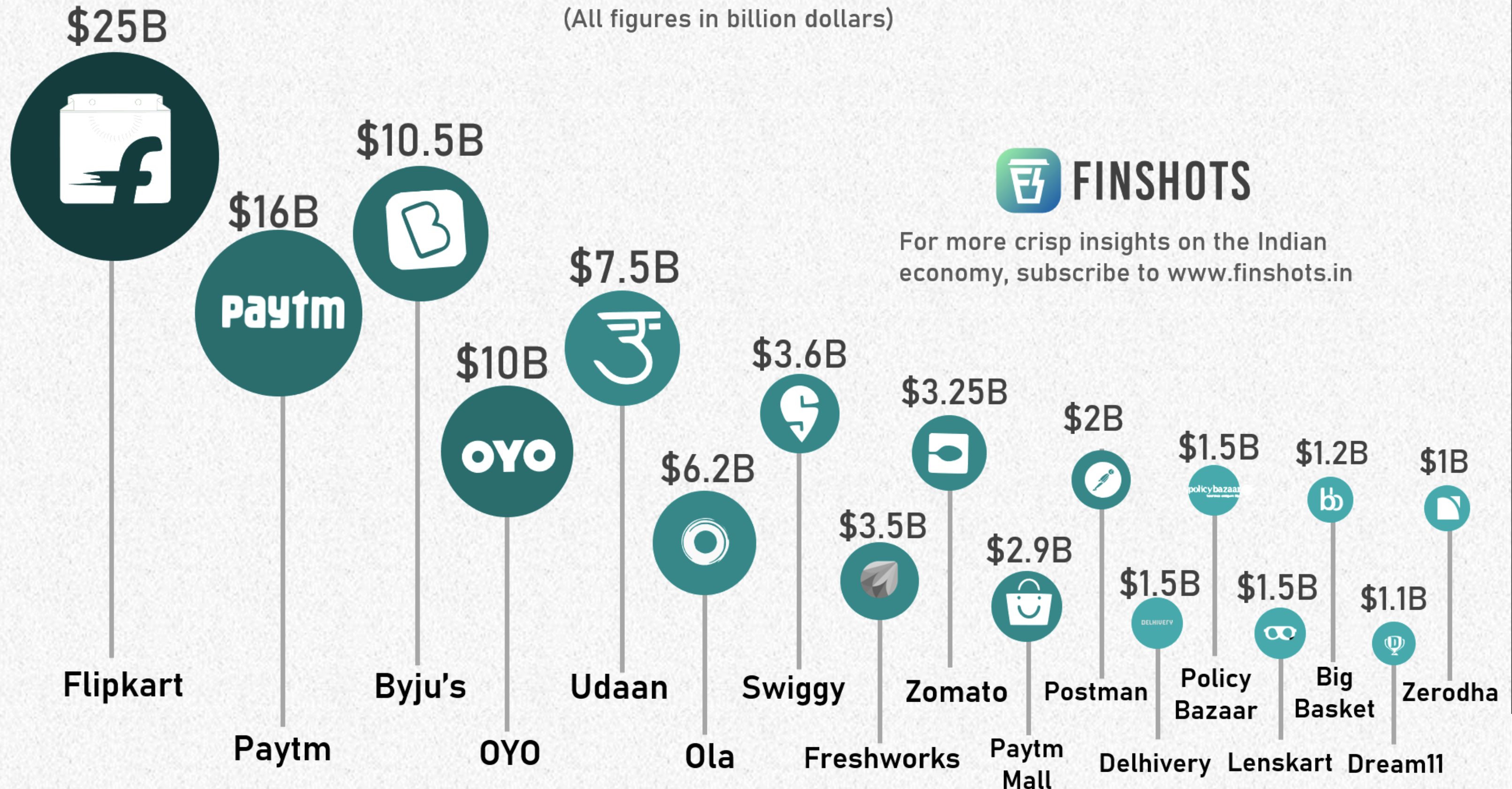
**VENTURE  
CAPITAL  
METHOD**

**BOOK  
VALUE  
METHOD**



# Valuations of some of the top Indian startups

(All figures in billion dollars)



For more crisp insights on the Indian economy, subscribe to [www.finshots.in](http://www.finshots.in)

Source: Media Reports  
As per publicly available info on latest valuations; Doesn't include all startups.

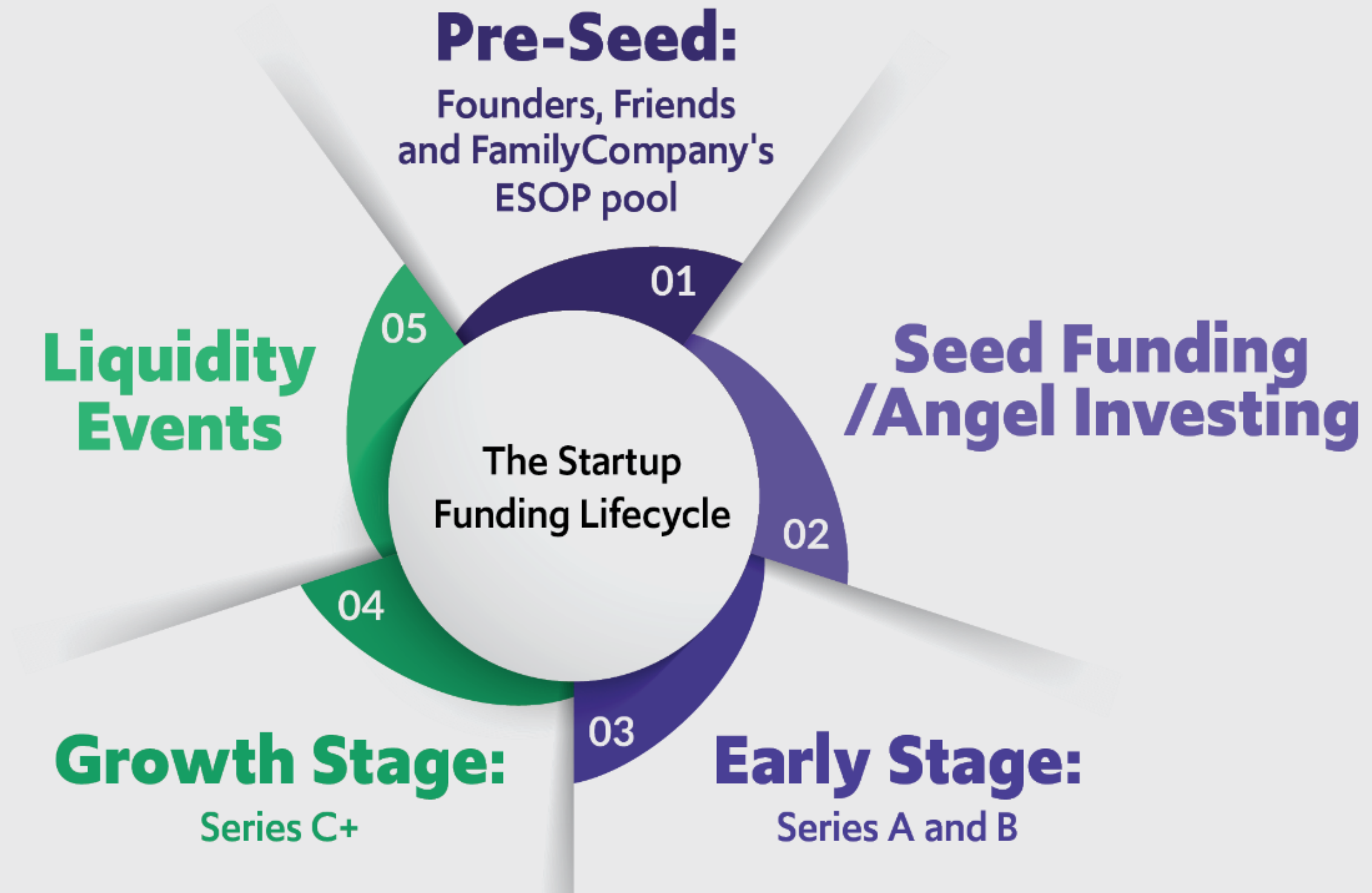


# STARTUP FUNDING

You don't need every investor to believe that you can succeed. You need only one.







# ANGEL ROUND

- Typically wealthy individuals who invest in startups for exchange of equity
- The first round of funding
- Money raised is used for building the product, hiring employees and growing the business
- Experienced angel investors provide valuable advice and mentorship to the startup
- Typically want a smaller ownership stake in the company
- Less focus on valuation whilst raising through angels





# SEED ROUND

- Experienced investors who invest in startups for exchange of equity
- Major difference here is the strong business networks which the investors carry with them
- Seed investors end up taking a significant part of equity with them
- Typically for business that has a proof of concept
- Investors ask for control of business operations, and this may turn disadvantageous
- More focus on valuation numbers



# VC ROUND

- Investment comes from institutional investors and venture capitalists.
- Works on a very professional mode and may consist of different investors
- Venture capital has utmost importance on due diligence before the investment is made
- Comes into the picture when the product reaches the market
- Consists of various stages like Series A, Series B, Series C, etc.
- Valuation is the essence for the venture capital investments





# CASE STUDIES

**Scale is important for a startup. But think big, and take one day at a time.**



**Oh my god! Unbelievable!**

a deep-dive in  
the Business  
Model and  
progress of an  
Indian giant

paytm



# Some Staggering Facts

- India's **biggest** payment provider
- Pioneer of **Cashbacks** in India
- First started **Paytm Sound Box** in India
- Continued growth of **15%** in rural India
- Over **450 Mn** registered Indian users
- Over **130 Mn** active Indian users
- Over **60 Mn** bank accounts
- Over **5000** employees
- Over **6 Mn** FASTags installed
- **5 Mn** transactions every day ~ **\$3.5 Bn**



# the PAYTM journey

downloads

0

2010

stage

launch

features

- just launched
- end to end P2P payments





# the PAYTM journey

downloads

0

3 M

**2010**

**2013**

stage

launch

scale

features

- just launched
- end to end P2P payments
- portable, mobile & DTH payments
- prepaid, postpaid and landline payments

# the PAYTM journey

downloads

0

3 M

11 M

**2010**

**2013**

**2014**

stage

launch

scale

growth

features

- just launched
- end to end P2P payments

- portable, mobile & DTH payments
- prepaid, postpaid and landline payments

- pocketbook integration with Indian railways and Uber
- web platform



# the PAYTM journey

downloads

0

3 M

11 M

35 M

**2010**

**2013**

**2014**

**2015**

stage

launch

scale

growth

diversify

features

- just launched
- end to end P2P payments

- portable, mobile & DTH payments
- prepaid, postpaid and landline payments

- pocketbook integration with Indian railways and Uber
- web platform

- movies, events, flight tickets, rail bookings, power, gas, electricity
- QR code for businesses
- Paytm Payments Bank launched

# the PAYTM journey

downloads

0

3 M

11 M

35 M

154 M

**2010**

**2013**

**2014**

**2015**

**2018**

stage

launch

scale

growth

diversify

expand

features

- just launched
- end to end P2P payments

- portable, mobile & DTH payments
- prepaid, postpaid and landline payments

- pocketbook integration with Indian railways and Uber
- web platform

- movies, events, flight tickets, rail bookings, power, gas, electricity
- QR code for businesses
- Paytm Payments Bank launched

- UPI and card instalments
- Paytm shopper base increased to 7 M





**Thank you**  
for the incredible response!

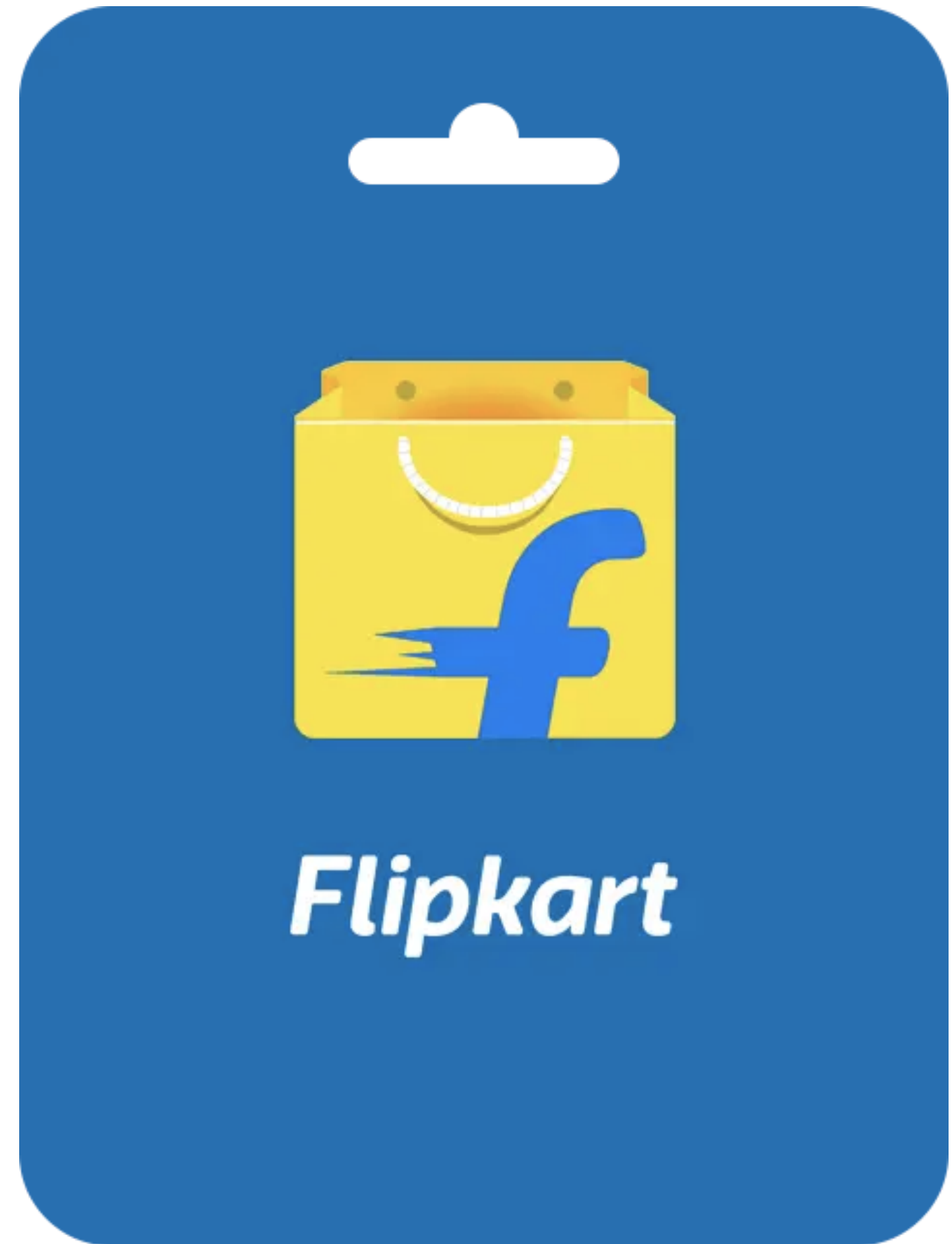
  
**850,000**  
Early access Users

  
**96%**  
Mobile Traffic

  
**65%**  
B15 Cities

  
**10,000+**  
Daily User Growth

a deep-dive in  
the Business  
Model and  
progress of an  
Indian giant



# Some Staggering Facts

- Started by **2 brothers** with initial funding of only **Rs. 4 Lacs**
- Started with selling **only books**
- Today covers over **80 categories** like clothing, electronics, home appliances, groceries, etc.
- More than **1 billion customers**
- Warehouses in **21 Indian states**





# THE FLIPKART BUSINESS MODEL



## CASH ON DELIVERY

Flipkart changed the dynamics of eCommerce in India, where people did have trust issues



## DELIVERY AT DOORSTEP

Flipkart is performing the task of delivering the products to the customers by picking from the sellers.



## WIDE VARIETY OF PRODUCTS

Flipkart has more than 80 categories of products listed with more than 8 crores of products.

A still from a movie showing a woman in a white shirt and colorful scarf looking at a man in a suit who is holding her hand. The woman has a concerned expression. The man is seen from the side, looking towards her.

Bhaisahab, aap convince ho gaye ya  
mai aur bolu?





THANK  
YOU

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