EVERYTHING THAT CONCERNS YOUR MONEY

THE GREEN DIGEST

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UNICORNS

THE NEW PRIDE OF INDIA

upGrad CoinDCX BrowserStack CarDekho PhonePe droom CARS24 Vedantu NYKAA Razorpay unacademy MindTickle Groww GROFERS zenoti acko ShareChat zeta Licious BORN TO MEAT MPL REBEL FOODS CRED COINSWITCH KUBER Urban Company meesho Take it easy PharmEasy digit dailyhunt moglix

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Unicorns 71*in form and on fire; Will the current pride of India become the future conglomerates of the globe?

Prologue

Centuries ago, India was the golden land on the earth. The civilisations flourished as we were blessed with nature on the land, valuable resources beneath, and the weather above. We were ahead of the world. However, the greed to conquer land and rule a larger landscape led India to a declining state where though we were naturally blessed, we couldn't make the most out of it. The British empire took the benefit of the poor state of affairs and after gaining dominance, drained India to benefit Europe. We gained our freedom in 1947, however, it took many decades to recover and re-establish our country, with a distinguishable presence on the world map. There's a common thing about the current global superpowers – the United States, Russia and the Republic of China – they all started early! While these countries were working on development, we were still struggling for our freedom. It's was a race where a few participants were allowed to begin even before others could be get set. However, we eventually worked our way out, without the unfair advantage, committing some grave mistakes on the way, but riding on our terms and principles. We may not be a superpower today, but we have the human power – the skill, the brains and the passion to lead the human race, not by dominance, but by intelligence!

Backdrop

India has been an agrarian country and still is. However, with the rising population, the challenges for the country increased, however, the solutions too became intuitive. It's almost as if we are born with those skills to face the challenges and come out victorious every time. Besides, the billion-plus population means billion-plus choices and preferences, and thus, we are the epicentre of the world's demand – everyone wants to sell here and make a profit. However, it isn't easy to lure the odd Indian public through the western ideas – we have already been there, faced it, got independent and now stay vigilant. The Indian market needs the Indian mindset. Though we don't have the money to build large scale businesses in every segment, at the same time, nobody understands the huge Indian market better than us and this has led to the emergence of 'The Indian Startup Inc.' The genius Indian minds pitch the ideas and the global conglomerates fuel the funding. This model has led to the fast-paced development of startups in India. The Governments have realised the importance of this sector and thus, doing everything possible to support their growth. It solves all their problems – 1) enhancing forex reserves, 2) creating employment opportunities, 3) higher revenue in tax collections, 4) supporting the overall development of the country. With support from everywhere, India is now the fastest-growing startup hub in the world. We have not only nourished the startups but also made them big and successful in a very short time. A similar boom decades ago led the United States to where it stands today. It is a pride to see so many young, creative and brilliant Indian startups flourishing. However, the real question is, can they make India glorious again? Are we looking at the global conglomerates of the future?

The Unicorn club

In the venture capital industry, 'Unicorn' refers to startups that reach the valuation of USD 1 billion. The term was first coined by Aileen Lee, founder of Cowboy ventures who referred to 39 such startups as unicorns. It is a term used only for startups, to highlight the rarity of such startups. The definition has remained the same, however, the number of unicorns across the globe have gone up significantly. India is amongst the top churning out many of them. There are still two months left in 2021 and a record-breaking 30 startups have joined the precious unicorn status in India. India is third in the list of countries having the most Unicorns 71*, trailing the US (396) and China (277), however, stands ahead of the UK (32) and Germany (18). Bengaluru continues to be India's Silicon Valley with 9 of this year's unicorns coming from there, while Mumbai has been the hub to 7 and Gurgaon to 3 unicorns.

The entire concept is based on approximate valuations of the startups, roughly estimated based on the price at which the investors are buying the stake in the company. So, if a venture capitalist buys a 10% stake in a company for USD 1 million, the valuation of the company (i.e. of the 100% stake) would be USD 10 million. This is only for the media and general public while the real valuations and their basis are hidden somewhere in the confidential documents which justify why the investor must pay such a value to buy the stake, and involves deep analysis of the prospects of the business.

Valuations are subjective and some investors may see more value in a certain business while others may not find the same value. Venture capitalists have a huge pool of money to invest and therefore, they create a portfolio of investments in startups that they think could be the next big thing. At the initial stages, the valuation is low and thus, it is easy to get a stake paying a low price and if the startup succeeds, they could fetch capital gains from selling the stake later at price in multiples of the original price paid. However, at the same time, the risks also are high. There's no guarantee that every startup would succeed. In fact, out of 10, probably 1-2 would flourish, while 3-4 stay mediocre and other fails. However, given the returns the top 1-2 churn out, the entire portfolio investment pays off. Venture capitalists pool funding from various wealthy and invest the same in a portfolio of such startups.

How Unicorns differ from others?

Even though funding has become more accessible than it used to be earlier, reaching a USD 1 billion valuation for a business that has just begun is not easy. A few common traits amongst the startups that achieve unicorn status:

1. Most unicorns have a disruptive business model for the industry they belong to. For example, Uber and Ola changed the way people commuted. Snapchat disrupted the usage of the social media network with its status feature. They change the way the industry has been operating so far.

2. Sometimes, the unicorns create their market segments by tapping into new areas ignored by other businesses. They become the first to enter the market and thus, gain dominance over the entire sector. For example, CRED was the first app to tap into the credit card payment and reward segment – a model of their own. Such unicorns change the way people do things and gradually become a habit. They face the unique challenge of continuing to innovate and evolve continuously to stay ahead of the 'future competitors'.

3. The most commonly observed trait amongst unicorns of the past decade is that their business model is based on technology – either they run online or bring in the new technology of their own. For example, Zomato and Swiggy have taken the entire process of ordering food online which a decade ago didn't exist. This was possible only with a friendly app for the users and the backend tech-based environment to run the entire system. Almost 87% of the unicorns products are software, 7% are hardware and the rest 6% are other products & services.

4. 62% of the unicorns are Business to Consumer (B2C) companies – a difficult area to cater to, as the customers buy in small quantities, however, the preferences vary with each of them. However, with technology, the goal to simplify and make things easy for consumers and become a part of their day to day life has become possible. They make things affordable that are otherwise expensive. For example, JioSaavn and Spotify made listening to music easier to the world while Netflix made it easier to watch movies. With a small subscription fee, you get access to a vast library of music and movies.

The Indian Unicorn Club

The Indian Unicorn Club consists of 71* startups who achieved unicorn status. The first company to do so in India was InMobi which achieved USD 1 billion valuations in 2011. Thereafter, Flipkart in 2012, Mu Sigma in 2013, Snapdeal in 2014, Ola Cabs, Paytm, Quickr and Zomato in 2015, Hike Messenger and ShopClues in 2016 bagged the status. India had a dry period in 2017, however, the number of unicorns grew exponentially in the next few years as 8 startups attained Unicorn status in 2018, 9 startups in 2019, 10 startups in 2020. 2021 has been a year of a boom in the equity markets and while the Indexes and various stock markets are at an all-time high, the venture funding also increased and 34* startups have entered the unicorn clubs this year. Let's have a look at these startups according to the sector in which the operate.

***E-commerce** – Flipkart, Snapdeal, ShopClues, PayTM Mall*

The e-commerce sector has boomed in India, mainly because of the lack of availability of choices and the overall experience of buying at local stores. Flipkart was early to jump in providing competition to Amazon. After the success of Paytm, the company expanded to the e-commerce segment through Paytm Mall. ShopClues has also been popular for a while, however, similar to other companies in this segment, it's difficult to survive against a global stalwart like Amazon.

***E-commerce speciality stores** – Firstcry, Lenskart, Nykaa, Meesho, PharmEasy*

Firstcry was first of its kind e-commerce platform for baby products. Lenskart has been successful in tapping the eyewear segment. Meesho has been the latest entry in the online fashion platforms gaining popularity against Flipkart owned Myntra. Meanwhile, the online pharmacy has grown extensively with PharmEasy competing with the likes of Netmeds, 1 MG, Appollo Pharmacy, etc.

E-marketplace *– Quikr, Urban Company, Apna.co, Cars24, CarDekho, Droom*

When the internet boom began after social media e-marketplaces were the second in line which took up quickly. eBay was successful in the United States, however, Indian companies haven't gained the same success. Off recently, the car and bikes segment has picked up with Cars24 and CarDekho offering used cars while Droom offering a huge range of new and old bikes and other vehicles. On the other hand, Apna.co has developed a marketplace for job seekers, competing with the likes of LinkedIn which is backed by Microsoft. Quikr offers listing used products on the platform for reselling. Urban Company has created a league of its own by offering handyman services right from repairing to relocating, servicing of appliances to your haircut – all services at your home, of course, at a premium price.

Food and groceries *– Grofers, BigBasket, Zomato, Swiggy, Rebel Foods, Licious*

Swiggy and Zomato have become the go-to word at every home and blended deep in an area that seemed unpenetrable at the beginning. Grofers and Bigbasket are following the path of Swiggy and Zomato in a different segment of groceries. However, once again, the company not only faces competition from Amazon Pantry, but also from Reliance JioMart and other major stores such as StarBazaar and Dmart who have started home delivery of products. Rebel Foods, one of its kind, is a cloud kitchen space provider and entered into a space deemed to be the industry that will boom in near future, thanks to the food tech boom created by Swiggy and Zomato. Licious delivers fresh chicken on demand and has been popular in metro cities.

Payment solutions *– Paytm, PhonePe, BharatPe, CRED, BillDesk, RazorPay, Zeta, Pine Labs*

Yes, the digital war has been the highlight of the Indian Startup world. Paytm was the first to enter the league dominated for a long and has expanded to various segments. However, PhonePe and GooglePay soon caught with the same, leaving very little space for Amazon Pay and WhatsApp Pay even after being social media mammoths. BharatPe is the latest to join the league with its cross app QR codes which have become a new normal at small merchant shops. In an another league, RazorPay and Billdesk are leading the payment gateway segment amongst CCAvenue, CitrusPay, PayUBiz, Atom, Instamojo, PayUMoney and many others including Paytm and Amazon. Zeta and PineLabs help businesses set up payment modes and APIs for apps and websites.

Edtech *– BYJU's, Unacademy, upGrad, Eruditus, Vedantu*

The highlight of the 2020 Unicorn boom were the Edtech company. While the real impact of these companies on career and studies is still under question, they have gained huge due to the pandemic induced lockdowns. With technology entering the education space, it is clear that things are set to change, however, when and how, what will change is still questionable as online studies are not welcomed in India. BYJU's has been trying to change that mindset through its advertisements, however, only time can tell whether the mindset changes or the company's focus areas. One thing is for sure, the headache of choosing a career, classes and schools is now expanded further and grown deeper.

Insurance and investment *– PolicyBazaar, Acko, Groww, CoinDCX, CoinSwitch Kuber*

PolicyBazaar has brought glory to the insurance companies and disrupted the world of insurance agents. The company's marketing campaigns have been successful in gaining customers. Acko and Digit, also in the same segment, provides vehicles and health insurance and is expanding rapidly. Equity investments have boomed after the pandemic and with most of them being millennials, apps like Groww have gained traction. On the other hand, CoinDCX and CoinSwitch Kuber have become the leading crypto exchanges in the country, however, their future still hovers around the upcoming Cryptocurrency bill which most expect would allow cryptocurrency as assets.

Social media and gaming *– Hike Messenger, ShareChat, Gupshup, Dream11, Mobile Premier League*

Although the messaging world has been dominated by WhatsApp, there was a time when Hike Messenger was in close competition with WhatsApp, however, it failed to dominate. ShareChat and Gupshup have also been popular amongst certain demographics. The space that has surprisingly gained traction has been gaming, especially sports fantasy leagues and they are many starting from Dream11 and MPL who leads the pack, however, MyTeam11, MyCircle11, Gamezy, Howzat are not far.

Adtech and content *– InMobi, DailyHunt, Glance InMobi*

InMobi was the first unicorn in India. While most people may not be aware of the same, it does something that irritates most people – in-app advertisements! However, for advertisers, app developers and its shareholders, the company has been a real asset. Glance InMobi is a joint venture of the company with Glance which provides lock screen content. Indian conglomerate, Reliance is looking forward to investing in the company. DailyHunt is a successful news app that has users from all demographics in a country where most apps find it difficult.

B2B software services (SaaS) *– MindTickle, Mu Sigma, Postman, Icertis, Freshworks, Druva Software, Innovaccer, Zenoti, BrowserStack, ChargeBee, CitiusTech*

These are companies that work under the hood and provide software services to various businesses to enable automation in their system. MindTickle provides sales readiness platform that helps in systematically improving sales performance by realigning the operations towards a single purpose and robust coaching solutions. Mu Sigma provides pure-play data analytics services. Postman provides web API development services. Icertis helps in contract management by streamlining the process to enter into thousands of agreements. Freshworks provides Customer Relationship Management (CRM) software that helps companies track complete interactions with customers including the email trackers and support helpdesk. Druva Software provides data security services. CitrusTech and Innovaccer provide the healthcare industry with health and performance management software. Zenoti caters specifically to Salons and Spas providing them with software to manage clients and other things. Browserstack helps web and app developers to test their apps across all browsers. ChargeBee is a subscription billing and revenue management platform to automate the order to revenue business cycle.

Mobility and booking *– Ola Cabs, Ola Electric, OYO Rooms*

In the fierce rivalry in the cab booking space, Ola has been equal to Uber cabs which is an already established cab company from the United States. Ola cabs even outclass its rival in certain cities and aspects. Ola has expanded to manufacturing electric bikes and with its latest launch this year, the Ola electric company making its space in an untapped segment. Oyo Rooms is the third-largest hotel chain in India by room count.

***B2B e-commerce and services** – Udaan, Infra.Market, Moglix, Zetwerk*

The e-commerce segment already has enough players. However, Udaan caters to B2B supply needs by shop owners and businesses who would like to buy in bulk, in contrast to Indiamart which only provides a listing platform. Infra.Market provides an integrated solution for construction needs right from contractors, designers, engineers to material and component suppliers. Moglix provides an e-commerce platform for buying tools and equipment. Zetwerk provides companies with outsourced manufacturing through its network of manufacturers.

***Business finance** - Five Star Business Finance, OfBusiness*

Five Star provides Small Business Loans and Small Mortgage loans to eligible borrowers to meet their business and personal needs, after due underwriting of their cashflows and backed by the collateral of their house property. Similarly, OfBusiness OfBusiness also provides SMEs access to cash flow-based financing for buying raw materials through its NBFC 'Oxyzo Financial Services'. It sells industrial goods and provides a longer credit period.

***Logistics** – Delhivery, Blackbuck, Rivigo*

With the expansion of e-commerce, the demand for courier service providers increased and Delhivery has claimed a share of this new demand. The company currently ranks ninth in courier services providers in India. On the other hand, Blackbuck and Rivigo provide trucking solutions, including online operations, matching a shipper with a trucker, payments facilitation, insurance, and other financial services.

Behind the curtains

While it's great news to see entrepreneurship catching up in India, a simple assessment would tell you that the story doesn't seem complete and logical. Out of the 71* Unicorn, 44* have gained the status in 2020 and 2021 – the period affected by the pandemic. Pandemic certainly helped the Unicorns grow their business, however, the flow of investment by venture capitalists has been unusual. Let's rewind to the start of the pandemic.

When the pandemic struck India, all of sudden, the stock markets crashed, businesses were forced to be closed and everything came to halt. The businesses were in trouble as there was no flow of money and thus, stuck between pandemic and the loan defaults. Then, the Government pushed the interest rates to historical lows and also provided various debt resolution plans, financing solutions for working capital, etc. Thus, it became easier for the companies to acquire debt at attractive rates through the banks themselves. A low-interest rate would mean a low cost of capital for businesses and thus, higher profitability for the business owners.

Now, in such a situation, the investors who either invest in equity or debt instruments, all debt instruments such as bonds, commercial papers, etc were no longer beneficial as the interest rates were historically low. Businesses had liquidity directly from banks and thus, the debt investments didn't seem like an investment anymore. The alternatives for institutional investors such as Insurance Companies, Mutual Funds, etc and other High Networth Individuals (HNI) became few. Thus, the money went straight into stock markets and thus, the bull run. Several companies have gone for Initial Public Offering (IPO) as the markets conditions are perfect. Thus, these companies too went out of the scope of the venture capitalists who would have preferred to acquire stake directly, as the same gives them more negotiation powers. With no other option left, the venture capitalists have been forced to put their money in young and upcoming startups, as they seemed the most profitable option for their investments.

No.	Name	Sector	Year	Valuation (bn)	Location
1	InMobi	Adtech - Mobile Ads	2011	$ 1	Bangalore
2	Flipkart*	E-Commerce	2012	$37.6	Bangalore
3	Mu Sigma	SaaS - Analytics	2013	$ 1.5	Delhi
4	Snapdeal*	E-Commerce	2014	$ 2.4	Bangalore
5	Ola Cabs	Mobility - Ride Aggregator	2015	$ 6.7	Noida
6	PayTM	Fintech - Payments & Wallet	2015	$ 16	Bangalore
7	Quikr*	Marketplace - Classifieds	2015	$ 1.5	Gurgaon
8	Zomato*	Foodtech	2015	$ 5.4	Delhi
9	Hike*	Social Media - Messaging	2016	$ 1.4	Gurgaon
10	ShopClues*	E-Commerce	2016	$ 1.1	Bangalore
11	BYJUS	Edtech	2018	$ 18	Bangalore
12	PayTM Mall	E-Commerce	2018	$ 3	Bangalore
13	Swiggy	Foodtech	2018	$ 5.5	Gurgaon
14	PolicyBazaar	Fintech - Insurance	2018	$ 2.4	Gurgaon
15	OYO Rooms	Proptech - Hotel Booking	2018	$ 9.6	Bangalore
16	Udaan	B2B E-Commerce	2018	$ 3.1	Chennai/San Mateo
17	Freshworks	SaaS - CRM	2018	$ 3.5	Mumbai
18	BillDesk*	Fintech - B2B Payments	2018	$ 1.6	Gurgaon
19	Delhivery	Logistics Services	2019	$ 3	Mumbai
20	Dream11	Gaming	2019	$ 5	Bangalore
21	BigBasket	E-Commerce - Groceries	2019	$ 2	Gurgaon
22	Rivigo	Logistics Services	2019	$ 1.1	Pune/Sunnyvale
23	Druva Software	SaaS - Data Management	2019	$ 2	Pune/Bellevue
24	Icertis	SaaS - Contract Management	2019	$ 2.8	Mumbai/Princeton
25	CitiusTech	IT Services - Healthcare	2019	$ 1.1	Bangalore
26	Ola Electric	Mobility - Electric	2019	$ 5	Bangalore
27	Lenskart	E-Commerce - Eyewear	2019	$ 2.5	Noida
28	Pine Labs	Fintech - PoS Payment Solutions	2020	$ 3	Mumbai
29	Nykaa	E-Commerce - Personal Care & Cosmetics	2020	$ 1.8	Bangalore/San Francisco
30	Postman	SaaS - API Development & Testing	2020	$ 5.6	Bangalore

Former Unicorns

No.	Name	Sector	Year	Valuation (bn)	Location
31	**Unacademy**	Edtech	2020	$ 3.4	Bangalore
32	**RazorPay**	Fintech - Payment Gateway	2020	$ 3	Bangalore
33	**Cars24**	Marketplace - Used Cars	2020	$ 1.8	Gurgaon
34	**PhonePe**	Fintech - Payments	2020	$ 5.5	Bangalore
35	**Zenoti**	SaaS - Salon & Spa Management	2020	$ 1.5	Hyderabad/Bellevue
36	**Dailyhunt**	Content - News	2020	$ 3	Bangalore
37	**Glance InMobi**	Content - Lockscreen	2020	$ 1	Bangalore
38	**Digit**	Fintech - General Insurance	2021	$ 3.5	Bangalore
39	**Innovaccer**	SaaS - Healthcare Data Analytics	2021	$ 1.3	Noida
40	**Infra.Market**	B2B E-Commerce - Construction Materials	2021	$ 2.5	Thane
41	**Five Star BF**	NBFC	2021	$ 1.4	Chennai
42	**FirstCry**	E-Commerce - Baby Care Products	2021	$ 1.7	Pune
43	**Meesho**	E-Commerce - Social Commerce	2021	$ 4.9	Bangalore
44	**CRED**	Fintech - Payments & Credit Card Rewards	2021	$ 4	Bangalore
45	**PharmEasy**	E-Commerce - Online Pharmacy	2021	$ 5.6	Mumbai
46	**Groww**	Fintech - Brokerage & Mutual Funds	2021	$ 3	Bangalore
47	**ShareChat**	Social Media	2021	$ 2.8	Bangalore
48	**Gupshup**	Conversational Messaging	2021	$ 1.4	Mumbai
49	**ChargeBee**	SaaS - Subscription Billing Solution	2021	$ 1.4	Chennai
50	**Urban Company**	Marketplace - Handyman Services	2021	$ 2.1	Delhi
51	**Moglix**	B2B E-Commerce - Industrial Equipment	2021	$ 1	Noida
52	**Zeta**	Fintech - Enterprise Software - Neo Banking	2021	$ 1.4	Bangalore/San Francisco
53	**BrowserStack**	SaaS - Software Testing	2021	$ 4	Mumbai/Dublin
54	**BlackBuck**	Logistics Services	2021	$ 1	Bangalore
55	**Droom**	Marketplace - Used Cars	2021	$ 1.2	Gurgaon
56	**OfBusiness**	NBFC - SME Loans	2021	$ 3	Gurgaon
57	**BharatPe**	Fintech - Payments	2021	$ 2.8	Delhi
58	**MindTickle**	SaaS – Sales Readiness Platform	2021	$ 1.2	Pune/San Francisco
59	**upGrad**	Edtech - Higher Studies	2021	$ 1.2	Mumbai
60	**CoinDCX**	Cryptocurrency Exchange	2021	$ 1.1	Mumbai

No.	Name	Sector	Year	Valuation (bn)	Location
61	**Eruditus**	Edtech - Executive Education	2021	$ 3.2	Mumbai
62	**Grofers**	E-Commerce - Groceries	2021	$ 1	Gurgaon
63	**Zetwerk**	Marketplace - Manufacturing Services	2021	$ 1	Bangalore
64	**MPL**	Gaming	2021	$ 2.3	Bangalore
65	**Apna.co**	Marketplace - Jobs	2021	$ 1.1	Bangalore
66	**Vedantu**	Edtech	2021	$ 1	Bangalore
67	**Licious**	D2C	2021	$ 1	Bangalore
68	**CoinSwitch**	Cryptocurrency Exchange	2021	$ 1.9	Bangalore
69	**Rebel Foods**	Foodtech - Cloud Kitchen	2021	$ 1.4	Mumbai
70	**Cardekho**	Marketplace - Used Cars	2021	$ 1.2	Jaipur
71	**Acko**	Insurance - General	2021	$ 1.1	Bangalore

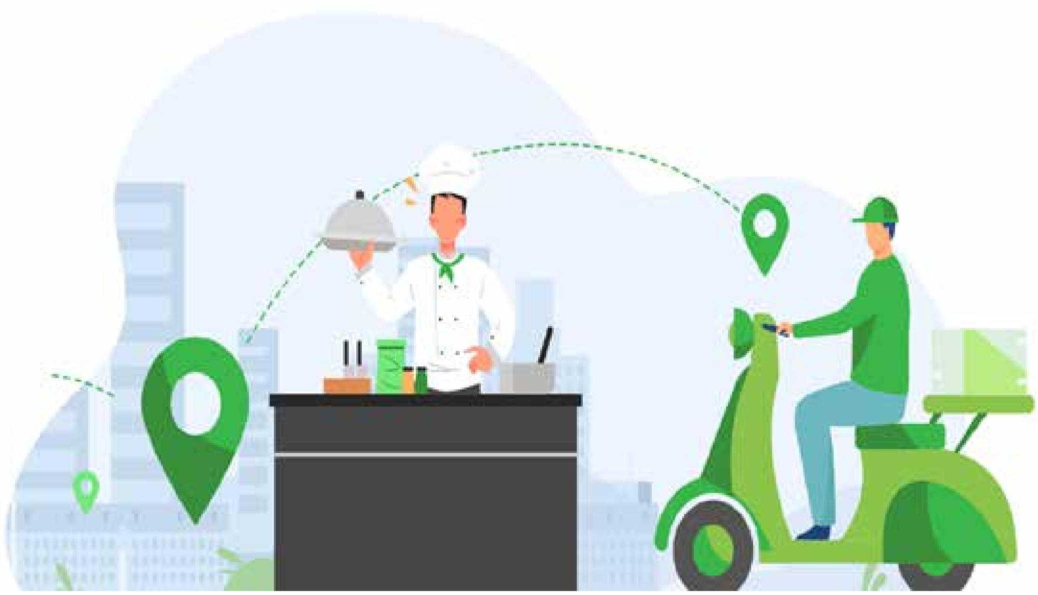
The bottom line

71* Unicorns in India – we have used the asterisk mark to denote that the number may increase at any point of time, given the speed at which the Unicorns are emerging – one startup has emerged as Unicorn every 9 days this year, that has been the strike rate. Whatever be the reason, it's a pride that entrepreneurship has got a launchpad and it is rising in our country. Unlike traditional businesses who cater for the supply of physical goods demand, the startups provide creative solutions to the problems emerging in this process and also help in boosting the end sales. Thus, in turn, increasing the demand and supply in the country and the GDP. However, there are areas where India still needs Government, the Conglomerates and the Startups to work together and provide solutions – especially public infrastructure, manufacturing technical parts and production of renewable energy, as they are key to the future. Indian economy is in good space today and the rise of unicorns is a good sign. We never know, if things go well, a few of these 71* and others might become the future global conglomerates and establish India's dominance in the world economy, as a supplier!

(This article was contributed by the editorial team)

Cloud kitchens – how pandemic is shaping the future of food industry and restaurant business in India

By Amit Chandak, Associate Director, Greenvissage



Prologue

My Grandma often used to say "If you want to save money, eat at home!" And I have found it true for most of my life till now. It's not just about frugality, it is more about health and habits. It's easy to go out, order the food of your choice and relish it. However, doing so on a routine basis, not only turns out pricey for your pocket but also your health. That's why the elderly prefer home-cooked food – it is healthy, available at your comfort, accomodating your eating preferences and allergies, cooked as per your choice (on most occasions) and most importantly, economical in the long run. Most people only consider the cost difference between home-cooked food and the price as per the restaurant's menu, however, the amount saved in probable medical treatments is huge and thus, the result of this analysis is pretty clear – cook food at home!

While this mindset is beneficial to your life, it's a huge roadblock for the food industry and also the health industry – "People eating at home and staying healthy? That's disastrous!" Look around, they sell you food that makes you unhealthy, and then and then medicines to (try to) bring you back to normal. However, we are living in an era ruled by technology and the internet is at the helm of everything. Things are changing and the food industry in India has transformed over the past few years, special thanks to the disastrous pandemic which shook everyone's life, and most importantly – their mindset!

Backdrop

There's a silver lining to everything – it's just that not everyone can see the same. Those who saw it and made an attempt, turned their lives downside-up, from being upside-down during lockdowns. Throwback to those national lockdowns when we almost lived in exile! The COVID-19 pandemic shocked our human ecosystem, and at once, everything came to halt. The pandemic brought two major changes to our lifestyle – 1) It restricted us to to home – stay at home, work from home, eat at home, and enjoy at home; 2) Priorities changed along with low salaries and losses, and entertainment and outdoor recreation were out of the question, as life took the centre stage. However, businesses have to keep running as they don't have the option to work from home. Customer is the epicentre, and if he chooses to stay at home, either you do something or wait for the end to come. Well, the food industry did something – they switched on their ghost mode and went on the cloud!

With the pandemic extending to over months and expected to extend for more, it was pretty clear that customers were not going to visit the restaurant and the restaurant owners are completely out of business. However, the food industry took a different move – "the customers cannot reach us, but our food can reach customers, right?" Yeah, damn right! Thus, the food business which was already online to quite an extent expanded further and a new segment emerged out of it – 'Cloud Kitchens'.

What are Cloud kitchens?

Restaurant owners spend a huge amount of money to set up their restaurant, especially the location, the dine-in area and the ambience. However, dining out is an optional recreational activity, most restaurants don't achieve even 50% capacity utilisation on a majority of the days in the year – the weekdays! Thus, often restaurants run into losses. With the pandemic, the situation worsened until they started delivering online which helped many to survive. Earlier, most restaurants operated on the 'dine-in as a priority and online delivery an option' model. However, owing to the pandemic, after being forced to run the online delivery system, they eventually realised that they could be in a super profit zone if they continue this model in long run.

Cloud kitchens, alternatively known as Ghost kitchens or Dark kitchens refers to places where food is prepared for delivering the same to the customers at their doorstep – no dine-in. These restaurants rely completely on third-party delivery platforms such as Swiggy and Zomato. Biryani by Kilo, Oven Story Pizza, Faasos, Box8, Mojo Pizza, Behrouz Biryani, Sweet Truth, etc. is some of the most famous names who operate on the Cloud Kitchen model. Serving customers online and delivering them food at their doorstep would mean no visitors – thus, no extravagant expenditure on ambience and dine in. This saves rent as well as the furnishing expenses – the upfront fixed costs. Besides, the additional staff for serving who for the most time had no work, if no customer, would no longer be required. Now all they need is a kitchen, their good chefs and the cooking materials. That's almost a cakewalk!

The model quickly led to the emergence of larger cloud kitchens allowing other restaurants to join and share the kitchen space. Thus, the cloud kitchens started acting as large kitchens where multiple restaurants could prepare their food and keep it ready for pickup by the delivery boys maintained by the food platforms. They can either operate from the same facility or break the space into separate areas. It's all about saving space, as ambience doesn't matter anymore!

Why are Cloud kitchens better?

The benefits are straightforward.

1. Operating costs are drastically lower as fewer employees would be required. Only cooking staff would be required, the ones working in the kitchen.
2. The restaurants can focus on quality food rather than washing-serving-setting dishes.
3. New entrepreneurs can easily start with small investments, and thereby, reducing the overall risk of running the business.

4. Restaurant owners can choose to operate the kitchen from a non-premium location and save rent, while already saving on the space required, as kitchens are usually set up in only 15-20% of the total restaurant space.
5. The restaurants can simultaneously target multiple segments of the market. They could run multiple brands out of the same kitchen, serving different cuisines and demographics.
6. The food prices can be lowered and yet, the profits would be higher, as the customer would perceive the pricing in comparison to the ones earlier when the restaurants worked on brick mortar model.
7. With online platforms like Zomato and Swiggy already maturing in the sector and other few joining the league, the ecosystem for collecting orders, payments, and delivering the food already exists and can be leveraged easily.
8. The onus of delivering the food is on the food delivery platform, thus, the restaurant owners only need to focus on preparing and packaging.

Is Cloud kitchen, fad or the future?

Kabir Suri, Chief of the National Restaurant Association of India (NRAI) recently reported to Business Today that income from the food delivery business currently stands at 40%. It was between 5%-6% in the pre-pandemic era. The profit margins are higher and honestly, now fairer to the restaurant owners. They could easily even pass on some benefits to the customers.

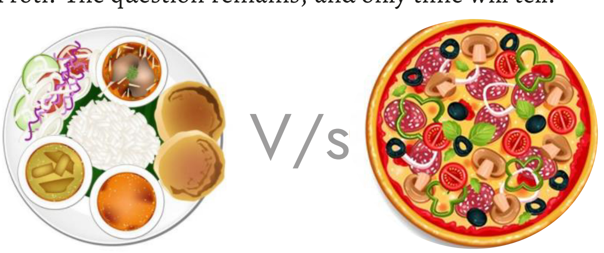
Besides, the demand for cloud kitchens is on the rise. Firms like ‘Book your Kitchen’ and ‘Speciality Group of Kitchens’ have started providing ‘Plug and Play’ kitchens. Entrepreneurs can simply rent the spaces, bring their tools, hire the manpower, and their business is up and running. On the other hand, the segment has developed so fast that India’s already has a cloud kitchen fund and incubator ‘Ghost Kitchens’. Karan Tanna who launched the company in 2019 invests in companies that focus only on home delivery.

Thus, if you have the cooking skills, creativity and entrepreneurship skills, you can easily start your restaurant with plug and play kitchens and funding from incubators in the future. This is going to be a big segment in the food industry and a report published by RedSeer already predicts that India’s cloud kitchen industry could grow to USD 2 billion by 2024.

The bottom line

Cloud Kitchens present a strong case, especially with the rising demand for food delivery and digitalisation of the economy – everything is available online and preferred as well. However, the future of the entire industry is based on one single thing – consumer preference. Currently, the pandemic has changed our habits and we prefer food right next to our screens, however, how long are we going to continue liking the same?

Outside food isn’t great for health – though there are already brands who specifically promise to provide highly nutritious foods delivered home, however, they haven’t been much successful. At the end of the day, you got to remember, this is India where most western countries failed to deploy their magic that worked well in other parts of the world. So will the cloud kitchens be able to create a space of their own? Can they survive against the ‘Ghar ki dal roti? The question remains, and only time will tell.



Government Policies

- The Central Government has reviewed the 'channel of submission' of files under its 58 ministries and departments and has decided that no central government file will pass more than four hands before a decision. Further, ministries will also be able to submit e-files to each other, to speed up decision-making and usher in an executive-centric and business-oriented functional transformation of government offices by flattening the organisation and going for delegation rather than pushing files up to higher levels needlessly. Over 300 meetings at senior levels were held for about six years to achieve this.

- The Government of India has ordered an investigation of the 'Pandora Papers'. Pandora Papers are the latest set of leaked offshore financial records, shared by the International Consortium of Investigative Journalists (ICIJ) who claims the data to be 2.94 TB which expose the offshore secrets of wealthy elites from more than 200 countries including India. The probe will be monitored through a multi-agency group headed by the Central Board of Direct Taxes (CBDT) chairman, and representatives from the Enforcement Directorate (ED), the Reserve Bank of India (RBI) and the Financial Intelligence Unit (FIU).

- Central Electricity Authority (CEA) has reported that the coal stock with power plants has increased and stands at 9.028 Million Tonnes (MT) as of October 26, 2021. With a daily increase in coal stock for the previous nine days, 5 days' stock was available with the Thermal Power Plants and expected to reach 6 days' buffer stock within a week.

- The Supreme Court of India has appointed a committee presided by Justice (Retired) R V Raveendran to inquire into the Pegasus revelations. According to the court, in the context of institutional independence, there is a lot of discussion about the pressure from the executive, and it is imperative to start a discourse as to how social media trends can affect institutions.

- The Government of India has backed Global Minimum Tax Deal along with 135 other countries (representing 90% of global GDP) which mandates Multinational corporations to be subject to a minimum tax of 15% from 2023 onwards, to ensure a fair share of taxes for countries where multinationals and global digital companies earn revenues from. As a result of this landmark deal, it is expected USD 125 billion profits from the top global MNEs shall be reallocated to countries where they operate and generate profits.

- Shaktikanta Das, the current Reserve Bank of India (RBI) Governor, has been reappointed to hold the office three for more years till December 2024.

- Former Finance Secretary Subhash Chandra Garg who headed the committee that drafted India's cryptocurrency bill has expressed that once the government launches its digital currency, private cryptocurrencies will disappear. Even as technology platforms, like blockchain, are being adopted by governments, cryptocurrency in its present form does not work as a replacement to money compared to fiat currency such as the rupee and dollar.

- The Government is taking into consideration selling smaller cooking gas cylinders weighing 5 kg currently sold by oil marketing companies at their retail outlets through its vast network of fair price shops (Ration shops), as per the latest proposal by Food Secretary Sudhanshu Pandey. There are more than 5 lakh ration shops present across the country and the need to enhance their viability is under focus.

- The Ministry of Finance (MoF) has released INR 44,000 crores to the States and Union Territories under the back-to-back loan facility instead of GST Compensation. After taking into account the earlier release of INR 1,15,000 crore (INR 75,000 crore released on July 15 and INR 40,000 crore on October 7), the total amount released in the current financial year is as back-to-back loan in-lieu of GST compensation is INR 1,59,000 crore. This release is in addition to normal GST compensation being released every 2 months out of actual cess collection.

- Minister for Health and Family Welfare (MoHFW) Dr Mansukh Mandaviya has launched the Sixth Edition of National Formulary of India (NFI), a publication by the Indian Pharmacopoeia Commission (IPC) which promotes rational use of medicines in the country, adopting the principle of 'do not miss critical and do not overload' the information by revising the appendices, chapters and drug monographs. The publication acts as a guidance document for the healthcare professionals such as clinicians, pharmacists, nurses, dentists etc. and is expected to play a crucial role in clinical practices.

Goods and services tax

- The GST Network while responding to social media posts based on a Right to Information (RTI) reply has mentioned that it has blocked INR 14,000 crore input tax credit (ITC) of 66,000 businesses registered under GST under Rule 86A of GST laws. The government had earlier introduced Rule 86A in GST rules allowing the GST department to block the ITC available in the electronic credit ledger of a taxpayer if the officer has reasons to believe that the ITC was availed fraudulently.

- The Madras High Court has held that the GST authorities are liable to communicate reasons for blocking Input Tax Credit (ITC) to taxpayers while hearing the case of HEC India LLP who sought the court's direction to GST authorities for reversal of INR 47,30,457 blocked from the company's GST electronic credit ledger. However, the court disposed of the writ petition, asking the taxpayer to redress their grievances before the authorities, and that the court cannot issue a direction as requested.

- The Goods and Services Tax Network (GSTN) has resumed blocking of the Eway bill generation facility which had been temporarily suspended by the Government on account of the Covid pandemic. As per rule 138E of the CGST Rules, 2017, the Eway bill generation facility is liable to be restricted if a person fails to file GSTR-3B/CMP-08 for consecutive two tax periods as per periodicity applicable. The system periodically checks the status of returns filed and blocks the generation of EWBs as per the rule. To generate the Eway bill continuously, it is mandatory to file GSTR 3B / CMP-08 statements on regular basis.

- The Central Board of Indirect Taxes and Customs (CBIC) in a circular has clarified that the supply of ice cream by parlours will attract 18% goods and services tax (GST) with an input tax credit. The GST Council had already approved this proposal at its last meeting on September 17.

- The Authority for Advance Rulings (AAR), Maharashtra bench, in the case of a Mumbai-based private company USV, has rejected the application for a ruling stating that the company was neither supplier of goods or services, but a recipient and the application related to a supply already completed as on the date of the application. The company had agreed to receive a permanent transfer of trademark rights effective from either date of the agreement or the date of the receipt of the entire consideration, whichever is later.

- GST Network has issued an advisory to clarify that the Form GSTR-2B, the auto-drafted ITC statement generated based on the information furnished by suppliers in GSTR-1/IFF, GSTR-5 (non-resident taxable person) and GSTR-6 (input service distributor) shall be available to the taxpayers in the afternoon of 14th of every month.

- The Central Board of Indirect Taxes and Customs (CBIC) has asked the GST Officers to issue show-cause notices for the difference in ITR-TDS data and service tax returns after proper verification. The board had received representation from various authorities and councils concerning indiscriminate issuance of demand notices through the field formations upon the grounds of the ITR-TDS information obtained from the income tax department.

(For queries or more information relating to GST, contact our colleague Ashish Gandhi at ashish.gandhi@greenvissage.com)

Income tax

- After being under fire for technical glitches, the new income tax return filing portal has is seeing steady progress and approximately 2 crore returns have been filed, as per the latest statistics shared by Infosys CEO.

- The Income Tax Department has expanded the scope of information to be included in Form 26AS as more high-value financial transactions and additional information is being added, to facilitate faceless assessments. As per the new rules, Form 26AS will include details of mutual fund (MF) purchases, foreign remittances, as well as information in income tax returns of other taxpayers. Form 26AS is an annual consolidated tax statement that taxpayers can access from the Income Tax Department using their Permanent Account Number (PAN).

- The Chennai bench of the Income Tax Appellate Tribunal (ITAT) in the case of Dong Woo Surface Tech India Private Limited has held that the supervisory fee paid by the company to its parent company is a tax-deductible expenditure under the income tax law. The company is in the business of manufacturing, supply and installation of industrial furnaces and carries out the same under supervision of its parent company Dong Woo HST Company Limited, as the technology required for process concerning heat treatment, coating, furnace of metal is provided by its parent company through an agreement.

- The Income Tax Appellate Tribunal (ITAT), Jaipur bench, has held that penalty under section 271D of the Income Tax Act, 1961 cannot be levied on a wife for receiving money from her husband for the purchase of the family property. The assessee had submitted before the tribunal that the cash of husband and wife was in joint custody and therefore cannot be taken as loan amongst themselves and that repayment was not mandatory, as there was no interest burden.

- The Income Tax Appellate Tribunal (ITAT), Kolkata bench, deleted the addition of interest on loan duly paid by the assessee after deducting TDS. The assessee, Heilgers Development & Construction Company Private Limited is a company engaged in the business of property development and it declared losses for two assessment years under consideration. The assessing officer noticed that the company had taken the various loans and therefore, provisions of section 2(22)(e) were applied whereby the entire amount of the loans was liable to be treated as deemed dividend in the hands of the company. However, since the said lending companies were compensated by interest, the company did not derive any benefit from the said loans to attract the provisions of section 2(22)(e).

- The Central Board of Direct Taxes (CBDT) has exempted non-resident taxpayers who do not earn any income other than income from investment in 'Alternate Investment Fund Category III' located in International Financial Services Centres (IFSC) (the GIFT city) from filing income tax returns, to ease the compliance burden. Further, eligible foreign investors (non-residents who operate following SEBI instructions), who only transact in capital assets like Global Depository Receipts, Rupee Denominated Bonds, derivatives or other notified securities, listed on the recognised stock exchange in IFSC, are also exempt from filing the income tax return.

(For queries and more information relating to Income Tax, contact our colleague Sneha Halder at sneha.halder@greenvissage.com)

Corporate laws

- Securities Exchange Board of India (SEBI) has decided to align the takeover and delisting processes to do away with the dual procedure that currently exists. Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, when the mandatory open offer obligation is triggered, the acquirer is required to make an offer for at least 26%. Where the acquirer already holds 49% or more of the target company, the additional 26% can take the total shareholding of the acquirer above the minimum public shareholding (MPS) threshold, however, listed companies are required to have at least 25% non-control shareholding.

- Insurance Regulatory and Development Authority of India (IRDAI)'s committee has suggested a reduction in an entry-level capital requirement for micro-insurance companies to INR 20 crore instead of the existing threshold of INR 100 crore to accelerate the expansion of the micro-insurance segment in the country, to attract multiple players and substantially increase insurance penetration. The committee was tasked to suggest steps for promoting microinsurance in India.

(For queries and more information on Corporate Laws, contact our colleague Adnan Ginwala at adnan.ginwala@greenvissage.com)

Customs and foreign trade

- The Indian Government has postponed its new Foreign Trade Policy (FTP) announcement rolling over the same to March 31, 2022. The Foreign Trade Policy 2015-2020 targeted USD 900 billion exports by 2020. The target was, however, scaled-down first because of the global slowdown and then the onset of the Covid-19 pandemic. The FTP is a set of guidelines established by the Directorate General of Foreign Trade (DGFT) to lay guidelines for matters relating to the import and export of goods by India. It is the government's seminal document on trade matters to guide economic relations with other nations and help develop the domestic industry.

- The Central Board of Indirect Taxes and Customs (CBIC) has notified a reduction in compliance burden for Authorised Couriers by amending the Courier Imports and Exports (Clearance) Regulations, 1998 and the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 respectively. These amendments now provide lifetime validity to registration, in place of the existing system of validity periods and renewals and also provide for voluntary surrender of registration. However, registration shall be deemed to be invalid if the authorised courier is inactive for a continuous period of 1 year, at a time, these also empower the Principal Commissioner or Commissioner to renew such a registration.

- The Government has notified its decision to permit 100% Foreign Direct Investment under automatic route in the telecom services sector.

(For queries and more information relating to Foreign Trade, contact our colleague Adnan Ginwala at adnan.ginwala@greenvissage.com)

Banking and finance

- The Reserve Bank of India (RBI) has increased the Immediate Payment Service (IMPS) transaction limit from INR 2 lakh to INR 5 lakh per transaction owing to the rising popularity of the mode of money transfer. The National Payments Corporation of India (NPCI) is a payment platform that provides 24x7 instant domestic funds transfer facility and is accessible through various channels like internet banking, mobile banking apps, bank branches, ATMs, SMS and IVRS.

- The MPC has maintained an accommodative stance on monetary policy ruling out any hike, for the time being, expecting elevated inflation in Q3. The Reserve Bank of India (RBI) Policy Rates after the Monetary Policy Committee's October meeting are as follows:
    1. Repo Rate – 4% (unchanged)
    2. Reverse Repo Rate – 3.35% (unchanged)
    3. Marginal Standing Facility Rate – 4.25% (unchanged)
    4. Bank Rate – 4.25% (unchanged)

(For queries and more information on banking and finance, contact our colleague Kethaan Parakh at ksparakh@greenvissage.com)

Accounting and auditing

- The Reserve Bank of India (RBI) Governor Shaktikanta Das has asked auditors to identify and thoroughly scrutinise related or connected party transactions to ensure that there is no undue transfer of income or assets, after observing several instances of fund diversion and transfer of profits to connected parties, without following arms-length principle and established transfer pricing mechanism have been observed.

- The Institute of Chartered Accountants of India (ICAI) has said the National Financial Reporting Authority (NFRA) has no jurisdiction over micro, small and medium companies while strongly opposing the recommendations made by NFRA. President Nihar Jambusaria has asserted that audit helps in mitigating the risk of corporate governance lapses.

- The Institute of Chartered Accountants of India (ICAI) has advised Chartered Accountants to file NFRA-2 for the reporting period 2018-2019 immediately without any further delay. As per Rule 5 of NFRA Rules 2018, the auditors of a class of companies specified in Rule 3(1) are required to file an annual return NFRA-2 on or before November 30. For the reporting period FY 2018-19, the NFRA had extended the date up to September 4, 2020, however, 1,011 audit firms have not filed yet.

(For queries and more information relating to Accounting, contact our colleague Rahul Mundada at rahul.mundada@greenvissage.com)

Payroll and Personal Savings

- The Reserve Bank of India (RBI) has now permitted premature withdrawal of deposits under the gold monetisation scheme before the lock-in period in cases where the original depositor has died. Premature withdrawal from the scheme is allowed only after the lock-in period of three. However, with revised rules, now in case the depositor dies, the family members can withdraw the deposits, foregoing some interest.

- The Ministry of Finance (MoF) has approved the labour ministry's proposal for crediting 8.5 per cent interest on provident fund deposits for FY 2020-21. The Employees Provident Fund Organisation (EPFO) has over 6 crore subscribers. The interest will now be credited to the provident fund accounts of the employees for FY 202-21 in next few weeks,

- The Securities and Exchange Board of India (SEBI) has imposed restrictions on trading by employees, trustees and board members of mutual funds which also extend to the purchase and sale of units in their mutual fund schemes where the employee owns any information not communicated to unitholders that could materially affect the net asset value (NAV) or the interest of unitholders.

- The rate of return of various small savings schemes of Government as compared to prior period are as follows:

Scheme	Current	Prior	%
Savings	4.00	4.00	0.00
FD (5 years)	6.70	6.70	0.00
RD (5 years)	5.80	5.80	0.00
NSC	6.80	6.80	0.00
PPF	7.10	7.10	0.00
KVP	6.90	6.90	0.00
SSA	7.60	7.60	0.00

(For queries and more information relating to Payroll, contact our colleague Kumari Snigdha at kumari.snigdha@greenvissage.com)

Economic Indicators

- Latest statistics relating to the key economic indicators of Indian economy stand as follows:

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-21	20.1	1.6
Inflation (%)	Sep-21	4.35	5.3
Unemployment (%)	Sep-21	6.9	8.3
Trade Balance ($m)	Sep-21	−22,590	−13,810
GOI Bond 10yr (%)	Sep-21	6.39	6.24

- The movement in the major indices of various stock exchanges, during October, 2021 was as follows:

Equity Index7	Country	%
NIFTY 50	India	+0.80
BSE SENSEX	India	+0.92
INDIA VIX	India	+1.25
NIFTY BANK	India	+5.08
DOW JONES	USA	+4.35
NASDAQ	USA	+6.40
S&P 500	USA	+5.70
FSTE 100	UK	+3.00
NIKKEI 225	Japan	+0.42
SHANGHAI COM	China	−0.58
MOEX	Russia	+1.54
CAC 40	France	+4.80
DAX	Germany	+3.51
ASX 200	Australia	+1.92
BOVESPA	Brazil	−8.32
KOSPI	South Korea	−1.61
HANG SENG	Hong Kong	+3.26

- The movement in the major commodities futures with latest expiry, during October, 2021 was as follows:

Commodity	Expiry	Price	%
Gold	Dec 3	47,607	+2.38
Silver	Dec 3	64,540	+6.63
Crude Oil	Nov 18	6,264	+11.26
Natural Gas	Nov 24	409	−2.90
Aluminum	Nov 30	221	−2.94
Copper	Nov 30	746	+5.09
Cotton	Nov 30	32,600	+12.38

- The movement in the reference rates of major global currencies during October, 2021 was as follows:

Currency Pair	Current	Prior	%
INR/1 USD	74.78	73.69	−1.48
INR/1 GBP	103.16	101.12	−2.01
INR/1 EUR	87.01	86.47	−0.63
INR/100 YEN	65.63	66.66	+1.55

- Movement in the major cryptocurrencies during October, 2021 was as follows:

Currency	Pair	Price	%
Bitcoin	BTC/USD	61,437	+29.21
Ethereum	ETH/USD	4,318	+32.09
Tether	USDT/USD	1.00	−0.03
XRP	XRP/USD	1.08	+6.90
Btc Cash	BCH/USD	578.5	+7.37

- The equity stock markets have been on roll this month with a bullish trend for the majority part. The Sensex and Nifty indexes reached their lifetime highest levels of 62,245 and 18,483. Meanwhile, similar trends were also observed in wall street. On almost every valuation count, Stock markets are trading above their historical averages and the reason why many analysts and traders are cautious of the ongoing rally.

Indian corporates

- **Adani Enterprises**, Adani Group's flagship entity, is in talks to raise USD 2 billion through 5-10% equity sale, to be probably finalized in the next few quarters. The company is said to be in discussion with Abu Dhabi Investment Authority, the Qatar Authority, a BNP Paribas arm, and Total, and is also looking at international energy infra operator SNAM, the Ontario Teacher's Pension Plan and Apollo Global. The fundraising is part of a broader plan to make Adani Enterprises a sustainable energy major. Adani Group is also incubating India's first data centre company who will power all data centres with renewable power.

- **Jio Infocomm**'s JioPhone Next is set to hit the market this Diwali, which will be powered by the Pragati OS, co-developed by Reliance and Google. The phone will include voice assistant, read-aloud, and translation functions. Before launching the smartphone, Reliance Retail is planning to leverage its network, JioMart.

- **Honda Motors** is looking forward to commencing a battery sharing service for electric three-wheelers in India in 2022 to utilise 'Honda Mobile Power Pack e' (MPP e), its all-new portable and swappable batteries. The Japanese auto company will incorporate a local subsidiary in India for the battery sharing service.

- **Tech Mahindra** has acquired US-based Infostar LLC and London-based We Make Websites Limited (WMW) for USD 105 million and USD 13 million, respectively, to strengthen its digital portfolio. Infostar LLC is a digital product engineering firm that offers product and data quality assurance solutions through the LodeStone technology platform. The company hired 14,930 employees in the latest September quarter, to cater for its technology demand.

- **Kotak Mahindra Bank** and IndiGo airlines are collaborating to launch a new co-branded credit card called Ka-ching under IndiGo's 6E rewards programme. The credit card will roll out in November 2021 and provide exclusive travel benefits to its members, as customers will also be able to earn accelerated 6E Rewards on their purchases and redeem these points for airline tickets at any time, with no blackout dates.

- **Larsen & Toubro (L&T)** has announced its plan to become a 'net zero' company and has set a goal to achieve carbon neutrality by 2040 and water neutrality by 2035. The Engineering major launched its fourth Integrated Report 'Sustainable Progress for a Better World' where it reconfirmed its commitment to integrate its ESG goals.

- **Vodafone Idea**'s Board has approved deferment of the AGR-related dues by a period of 4 years with immediate effect, as per the notification issued by the Department of Telecommunications (DoT). The government had asked the telecom companies to inform it by October 29.

- **Tata Consumer Products** is planning to transition its Tata Cha business, the Quick Service Restaurant (QSR) chain to Qmin Shops operated by Indian Hotels Company Limited. The Qmin Shop was created as a café offering bread, handcrafted cheese and patisserie items. Tata Cha will be subsumed by the Qmin brand.

- **IndusInd Bank** has raised INR 2,800 crore by issuing bonds on a private placement basis which are set to mature in 10 years, with a coupon rate of 8.11 per cent payable annually. The bonds are rated AA+ by Crisil and India Ratings.

- **Cleartrip**, the online travel company, is in process of offering a major minority share, to Adani Group as a part of an application that the conglomerate is developing to club all its offerings digitally under a unified platform.

- **Dish TV** has made an application to the Registrar of Companies, for further extension of time to convene the Annual General Meeting till December 31, as the board has unanimously decided that the EGM requested by the private lender cannot be held as the proposal requires regulatory approvals. Yes Bank owns a 25.63% stake in Dish TV, the largest stake owner of the company.

Public sector undertakings

- **Indian Railway Catering and Tourism Corporation (IRCTC)** was briefly mandated by the Ministry of Railways to share 50% of revenues from service charges on e-tickets i.e. convenience fees, from November 2021 onwards. However, within 24 hours, the ministry reversed its decision, for reasons not known. In FY21, IRCTC earned INR 299 crores from this segment which is almost 40% of its total revenue from operations INR 783 crores.

- **Indian Railway Catering and Tourism Corporation (IRCTC)** has signed a contract with newly launched airline Flybig to help travellers book tickets for any of its northeast destinations via FlyBig's platform. Vice versa, passengers will be able to book their travel tickets to any Flybig destination through the IRCTC portal under this contract.

- **Indian Railways** has joined hands with Truecaller to offer passengers a greater trust in communication. A verified business badge logo will appear while making calls to the 139 helplines and the verified tick mark icon will lock the Indian Railways brand name. Verified SMS message headers will ensure that the customers know that they are receiving the communication about their bookings, from the right source.

- **India Post Payments Bank (IPPB)** has signed a strategic contract with HDFC Limited to help 4.7 crore customers of the payments bank by offering loans. Under this deal, the 650 branches and 1,36,000 banking access points will be targeted to make HDFC's home loan products and expertise available for its customers across India.

Startups

- **PhonePe** is considering lodging a fresh lawsuit with the Bombay High Court against BharatPe for allegedly misusing the 'Pe' suffix. The company had earlier filed an injunction to limit BharatPe from allegedly 'misusing' the 'Pe' suffix as a part of its newly launched 'buy now pay later' product 'PostPe.'

- **SupplyNote**, a B2B software-as-a-service company that helps food and beverages (F&B) businesses digitize and automate their supply chain, has garnered USD 1.2 million in pre-Series A round led by Venture Catalysts - Astor Management, SOSV, Riso Capital, and Manjal Investments, Angelbay, SucSEED Ventures, DevX Fund, Sarcha Advisors and Faad Network.

- **Acko Insurance**, the Bengaluru based general insurance company has entered the coveted unicorn club after its latest fundraising round that increased the valuation of the company to USD 1.1 billion. The digital insurer raised USD 255 million in Series D funding led by General Atlantic and Multiples Private Equity. Canada Pension Plan Investment Board (CPPIB) and Lightspeed also participated in the fundraising round along with other pre-existing investors, including Intact Ventures, Munich Re Ventures, Amazon India, Accel, Elevation, Ascent Capital and Flipkart co-founder Binny Bansal. Varun Dua, the founder, said that the capital will be used for the auto insurance vertical growth, and other micro-insurance products across travel, gadgets and appliances. Acko boasts over 70 million customers in total and will be soon reaching USD 175 million in premiums. Founded in 2016, the company also insures workers of food delivery companies like Swiggy and Zomato.

- **Zomato India** has officially announced that it is shutting down its subsidiary — Zomato Ireland Limited (Lebanon Branch) owing to the country's poor economy, losses, and for diversion of more attention to India. Earlier, it had also closed its United States table reservation business in August.

- **Zerodha**, the discount brokerage firm, has announced that it will waive off brokerage for all trades during the Mugurat session. Indian indices perform a special Muhurat trading on November 4, the auspicious occasion of Diwali. All intraday positions have to be squared off 15 minutes before market closing.

- **Meesho**, the e-commerce company, has posted a USD 5.5-million scheme for liquidating employee stock ownership plans (ESOP) for eligible employees into vested stocks. In the last 6 months, it has seen 2.8X growth in monthly transacting users and a 2.5X rise in monthly orders.

- **Affine**, the Bengaluru-based analytics consulting firm, is planning to expand its presence in Hyderabad hiring more than 200 people by March 2022. The company is looking for skilled workers in the field of artificial intelligence (AI), data science, and cloud engineering across vertical expertise in gaming, high-tech, and manufacturing.

Equity markets

- **PolicyBazaar**, India's largest online insurance aggregator, is looking to raise INR 6,000 crore through its IPO on November 1. PolicyBazaar is the biggest beneficiary of the insurance sector boom, as a leading online insurance agent. 95% of PolicyBazaar's revenue comes from commissions from insurance companies for selling policies. Launched in 2008, as of date, 49 insurer partners offered over 390 terms, health, motor, home and travel insurance products on the company's platform. It stood as the largest digital insurance marketplace in India with a 93.4% market share based on the number of policies sold and 65.3% of all digital insurance sales in India by volume, in FY 2020. Paisabazar, launched in 2014, enables consumers to compare, choose and apply for personal credit products having partnerships with 56 large banks, NBFCs and fintech lenders. The company aims to raise INR 5,700 crores.

- **Paytm**, the digital payments and financial services firm will enter the Indian equity markets on November 8, with its record-breaking INR 18,300 crores offer. Ironically, the company was one of the major beneficiaries of the currency note demonetisation that was announced a few years ago on the very same date. The company had filed draft papers for its initial share sale with the market regulator on July 15 and plans to use INR 4,300 crore for strengthening the Paytm ecosystem, which majorly includes the acquisition of consumers and merchants and providing them with access to technology and financial services. It has further planned to earmark INR 2,000 crore for business initiatives, acquisitions, and strategic partnerships and balance for general corporate purposes.

- **Nykaa**, India's largest omnichannel beauty and wellness retailer has launched its IPO. Starting in 2012 with the online space, the company has diversified into offline stores since 2015 and operates 70+ stores under its operations. The company sells products of 1200+ brands, with 5.5 million monthly visitors, 72% repeated customers and 1.3 million orders per month. It reported INR 1,800 crore revenue with INR 94 crore EBITA for FY 2020. Nykaa offers beauty and personal care products while Nykaa Fashion offers apparel and accessories.

- **Fino Payments Bank**, a growing fintech company with a diverse range of financial products and services primarily digital, has offered an initial public offering of INR 300 crores. The company has a pan-India network and offers various current accounts and savings accounts (CASA), debit cards, domestic remittances, open banking functionality through APIs, micro-ATM or Aadhaar Enabled Payment System: AePS and cash management services. The company through its merchants facilitates cross-selling other financial products and services such as third-party gold loans, insurance, bill payments, and recharges and managing bank correspondents network on behalf of other banks. Blackstone, ICICI Bank, Bharat Petroleum, Intel Capital, and IFC, amongst others, are some of the marquee investors of Fino Payments Bank.

- **OYO Stays**, the leading new-age platform empowering the highly fragmented hospitality ecosystem and reshaping the short-stay accommodation space since 2012 has offered its IPO comprising of fresh issue of equity shares of INR 7,000 crores and offer for sale of equity shares of INR 1,430 crores from SVF India Holdings Limited, A1 Holdings Inc., amongst others. The company has developed a two-sided technology platform focused on addressing key pain points of their owners, lessors or operators of storefronts listed on their platform and their customers being travellers and guests. As of March 31, 2021, the company had 157,344 storefronts across more than 35 countries.

- **Adani Wilmar**, the fast-moving consumer goods (FMCG) company, known for edible oil 'Fortune' has filed its draft red herring prospectus (DRHP) with the market regulator to launch an INR 4,500 crore initial public offer. The company is amongst the top players in the Indian FMCG segment and specializes in kitchen supplies including flour, pulses, sugar, and rice. Adani Wilmar is a joint venture between Adani Group and Singapore-based Wilmar, formed in 1999. It is also the largest manufacturer of oleochemicals in India. The objective of the IPO is to raise capital for expanding the company's manufacturing facilities, prepayment of borrowings and also fund strategic investments and acquisitions.

- **Star Health Insurance**, the largest private health insurance company and the largest retail health insurance company in India by Gross Written Premium, is offering a fresh issue of equity shares aggregating to INR 2,000 crores and offer for sale of 6 crore equity shares from existing shareholders, through its IPO. With a 15.8% health insurance market share and 31.3% retail health insurance market share in FY 2021, the company is mainly focussing on the retail health market segment which accounted for 89.3% of the company's total health premium in FY 2021. Being the pioneer and now the largest standalone health insurance company, the company has a distribution network of 737 branches across 26 states and 4 union territories in India.

- **SJS Enterprises**, one of the leading players in the decorative aesthetics industry in India, is offering equity shares aggregating up to INR 800 crores from the existing shareholders. The company is engaged in designing, developing, and manufacturing diverse product portfolios for a wide range of customers primarily in the automotive and consumer appliance industries, catering for the requirements of the two-wheeler, passenger vehicle, and consumer appliance industries. The IPO opens on November 1.

- **Sigachi Industries**, a manufacturer of microcrystalline cellulose (MCC) widely used as an excipient for finished dosages in the pharmaceutical industry, is offering a fresh issue of INR 76.95 lakh equity shares aggregating to INR 125.43 crores through its IPO on November 1. The company manufactures MCC of various grades ranging from 15 microns to 250 microns which has varied applications across industries such as the pharmaceutical, food, nutraceuticals, and cosmetic industries.

- Other companies who have announced their IPOs expected to be launched are as follows:
    1. Ixigo
    2. Penna Cement
    3. Shriram Properties
    4. MobiKwik
    5. Fincare Small Finance Bank
    6. Lava International
    7. Go First (Go Airlines)
    8. Ruchi Soya
    9. Wellness Forever
    10. PKH Ventures
    11. Tamilnad Mercantile Bank

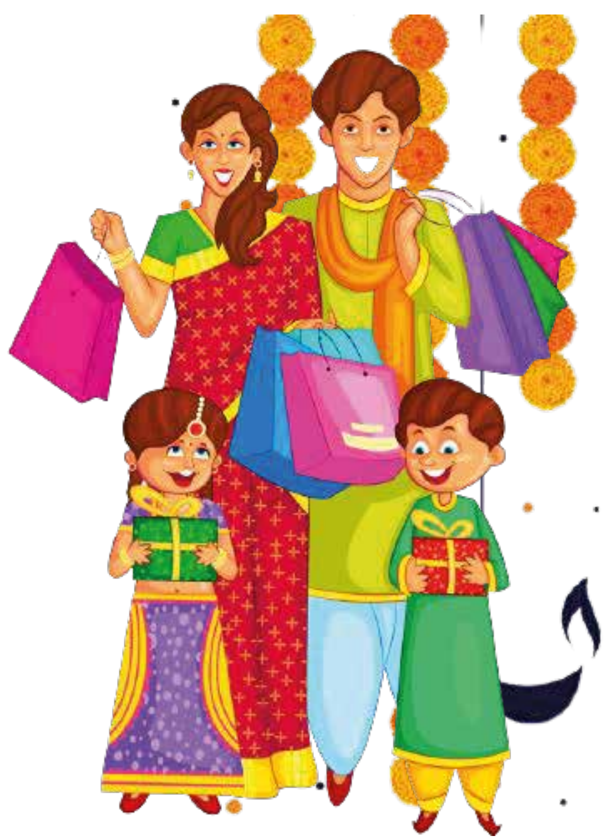
Global conglomerates

- **Facebook**, the social media company, has now changed its name to ‘Meta’ making its branding synonymous with the metaverse, to highlight its footprint in industries beyond social media and also to separate the company’s branding from its social media platform ‘Facebook’. The company will trade under the ticker symbol MVRS instead of FB, from December 1 and has already bought meta.com, nabbed the @meta handle on Twitter and Facebook, and even replaced its famous thumbs-up sign at its Menlo Park, California headquarters with the new Meta logo – a modified infinity symbol. The internet giant plans to invest USD 50 million in virtual space development.

- **Facebook** is now at the centre of a probe by the Indian Government who seeks details of algorithms used by Facebook amid recent revelations alleging that the platform fuels fake news and hate speech. The move comes after revelations by whistleblower Frances Haugen who alarmed the Indian government especially concerning the 'India experiment' where a dummy user's feed was filled with hate speech and fake news upon Facebook's recommendations. The Government has also sought information on how Facebook prevents its users from being subjected to harmful content.

- **Apple** has been sued by 5 students in China for not including a charger with the iPhone 12. From 2020, Apple is only packing a USB-C to Lightning cable and has abandoned chargers and EarPods along with iPhone to preserve raw material and reduce carbon emission. However, critics are of the view that Apple's move is stemmed from cost concerns.

- **Best Inc**, the Alibaba-backed express delivery business, has been sold to J&T Express, in a deal valued at about 6.8 billion yuan, in light of the unexpected challenges from the pandemic and evolving industry dynamics.



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Newsletter by:

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