

# Rapido Rolls into Unicorn Club with \$200m Raise at \$1.1 billion Valuation

**HITCHING A RIDE** Round in mobility co led by WestBridge, with Nexus, Think Investments and Invus pitching in

Pranav Mukul & Samidha Sharma

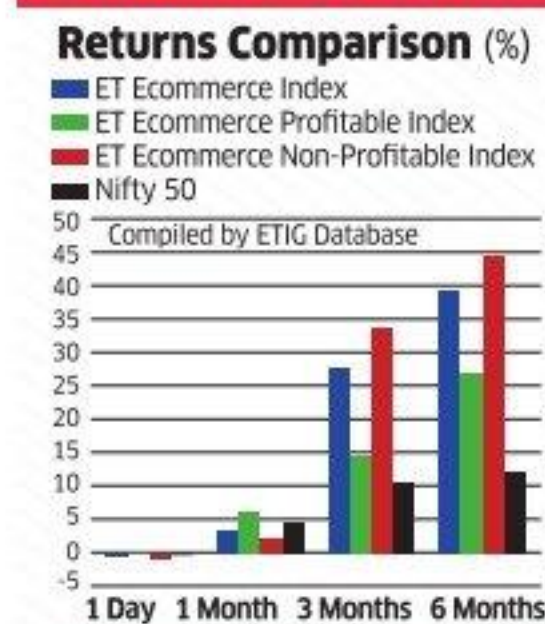
**Bengaluru:** Mobility startup Rapido has secured \$200 million in a financing round led by existing investor WestBridge Capital, vaulting into the unicorn club of privately-held companies with a \$1.1 billion valuation. Aravind Sanka, the company's CEO, told ET that the funds will be used to expand Rapido's newly launched four-wheeler taxi service, which competes with Ola and Uber.

**ARAVIND SANKA**  
CEO, Rapido

**The latest fundraise has come on the back of strong growth that we've clocked over the last two years**

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Business is a race. You are either moving forward quickly or your competitors are passing you in real time. A sense of urgency is the most valuable attribute of them all

**Tech Buzz**  
**Google Unveils New Android Features Suite**

**WASHINGTON:** Google has announced a suite of features for Android devices. According to GSM Arena, these include enhancements to accessibility, content consumption and safety as well as a new Wear OS feature. TalkBack screen reader will now leverage Gemini models on supported devices. Another big update is the official rollout of the 'Circle to Search' feature. —Agencies

**80%**  
Estimated y-o-y growth of uber-premium smartphones (₹1 lakh and above) in first half of the year. —CMR

**India Fintechs Grew 5-fold in Three Years**

**NEW DELHI:** India's financial sector is growing at a rapid pace as fintech startups have grown by about five times in past three years, according to a report. The growth has been from 2,100 in 2021 to 10,500 in 2024, JM Financial said in a report. "India has 26 fintech unicorns with an estimated combined market value of \$90 billion." The report said that the estimated combined value of all the fintech companies in India is around \$125 billion. —Agencies



Venture capital fund Nexus Venture Partners, which is Swiggy-backed Rapido's other existing investor, also participated in the latest fundraise, along with new backers Think Investments and New York-based Invus Opportunities.

Rapido is also entering the buzzy quick commerce delivery space by

utilising its two-wheeler fleet for hyperlocal deliveries, according to Sanka. On July 29, ET was the first to report that Rapido had raised \$120 million from WestBridge as part of a larger funding round.

"The latest fundraise has come on the back of strong growth that we've clocked over the last two years," Sanka said, claiming that Rapido is the market leader in the bike-taxi segment. "In this period, we've grown our top line over 12 times... A few years back, we were just a two-wheeler player, but now we're a significant three-wheeler operator. We are also making huge inroads in the four-wheeler ride-sharing market."

—Our Bureau

## Nykaa Sues Ex-CBO Gopal Asthana for Contract Breach

Accuses Tata Cliq CEO of talent fishing; seeks ₹19cr Esop refund

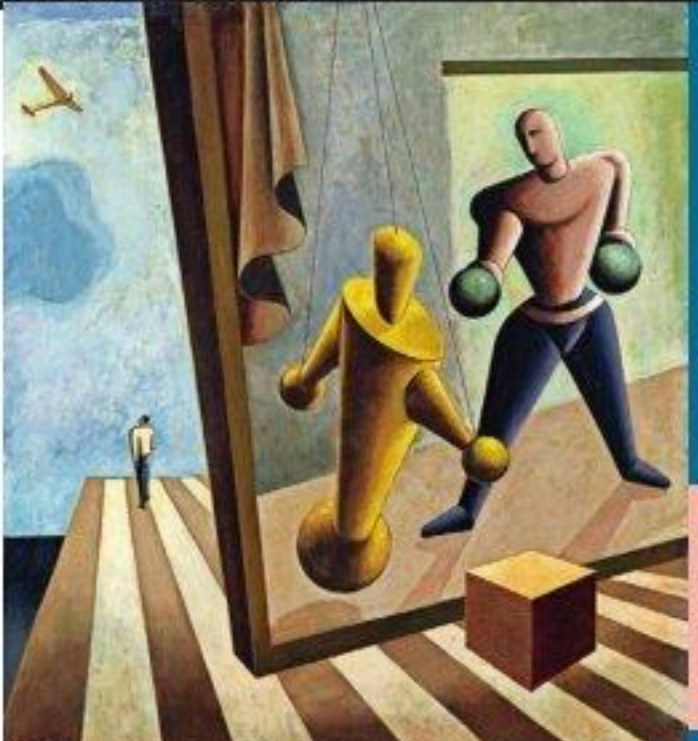
Digbijay Mishra

**Bengaluru:** Beauty and fashion product retailer Nykaa has sued its former chief business officer Gopal Asthana, who now heads Tata Digital's fashion business Tata Cliq, accusing him of breaching confidentiality, misappropriation of proprietary data and seeking to harm its business. It alleged that Asthana approached several Nykaa staffers who reported to him previously to join Tata Cliq and that some of them have made the switch over the past year.

In its petition in the Bombay High Court, Nykaa said it had paid Asthana a substantial remuneration, including long-term incentives and in stock options. It sought a refund of around ₹19 crore of employee stock option benefits availed of by him along with another ₹5 crore citing loss of goodwill and other business metrics. The company also pleaded the court to restrain him from using any Nykaa business data for his work at Tata Cliq.

The high court passed an interim order on Wednesday, directing As-

**FACE-OFF**



**Nykaa has sought a refund of around ₹19 crore of Esop benefits availed along with another ₹5 crore citing loss of goodwill and other business metrics besides restraining him from using any Nykaa business data for his work at Cliq**

**HC passes interim order directing Asthana to not engage in hiring executives for Cliq from Nykaa**

SANDOR BORTNYIK, The Twentieth Century

thana to not engage in hiring executives for Tata Cliq from Nykaa.

Falguni Nayar-led Nykaa has not made Tata Digital a party to the petition.

Asthana, a chief executive in Tata's e-commerce venture, was the CBO at Nykaa for four years and was also on the company's board. Nykaa said in its petition that such a high position in the company

made him privy to confidential business data.

Nykaa said it granted Asthana an exception to join a direct rival despite having a non-compete agreement with him. Asthana joined Tata Cliq in June 2023 after three months of garden leave following his exit from Nykaa. Tata Digital and Nykaa did not comment on ET's request for comment.

## NCLT Defers Glas Trust's Plea in Byju's Insolvency Case

**PLEA SPIKED** Rejects US lenders' plea to halt CoC meetings, says lenders can file separate plea

Our Bureau

**New Delhi:** The National Company Law Tribunal (NCLT) Wednesday deferred a matter between Glas Trust Co, which represents a group of US lenders to troubled ed-tech firm Byju's, and the Insolvency Resolution Professional (IRP) for its parent, Think & Learn Pvt Ltd.

The Bengaluru bench of the tribunal said it cannot stop the committee of creditors (CoC) proceedings as the Supreme Court has allowed its constitution on August 21.

"Because the Supreme Court has already given the go-ahead for the formation and constitution of the CoC as well as for conducting the meeting, we cannot just stop it," the bench said, while adding that the lenders can file a separate application for pursuing this.

**BENGALURU BENCH OF NCLT**

**Because the SC has already given the go-ahead for the formation and constitution of the CoC as well as for conducting the meeting, we cannot just stop it**

The matter involves Glas Trust's removal from the CoC by IRP Pankaj Srivastava. Glas Trust has challenged this and is also seeking Srivastava's removal as the IRP.

"We will defer it by one week, to 11th September. By that time, if it comes up before the Honourable Supreme Court, then very well and good; otherwise, we will proceed," the bench said.

## Govt Eyes Extra Sops for Mobile Makers Topping PLI Targets

**PHONE-A-FRIEND** Some cos seeking additional incentives as a 'good faith' measure: Official

Aashish Aryan

**New Delhi:** The government is mulling ways in which it can provide additional incentives to companies that have been able to produce, sell and export mobile phones over and above the production targets set for them every financial year under the mobile phone production-linked incentive (PLI) scheme, sources told ET.

A senior government official told ET that some companies have consistently met their production targets under the PLI scheme and have raised the issue of being provided additional incentives as soon as possible as a "good faith" measure.

"The decision on disbursement on production above the ceiling limit is pending at the empowered committee level. We are looking at how to approach this issue best and hope to arrive at a solution soon," an official said.

The PLI scheme for large-scale electronics manufacturing, not-



**EXCEEDING TARGET**

**A senior govt official said some firms have consistently met their production targets**

fied on April 1, 2020, provides an incentive of 4%-6% on incremental sales over the base year.

Though the scheme was supposed to run only till 2024-25, it was extended by a year to accommodate requests from companies which did not meet their production targets due to various Covid-19-induced lockdowns.

**STATES GO THE EXTRA MILE TO woo INVESTORS**

## Zomato's Big Paytm Play Puts a Spanner in KKR's BMS Plans

PE firm renegotiating with BookMyShow over the deal size and valuation, say sources

Reghu Balakrishnan

**Mumbai:** Zomato's recent acquisition of Paytm's entertainment business has put a cloud over KKR's planned investment in BookMyShow (BMS), India's largest online ticket-booking platform, said two people aware of the development. KKR is believed to be renegotiating with BMS over the deal size and valuation, said sources.

KKR had earlier planned to invest about \$250-300 million in Reliance Industries Ltd-backed BookMyShow to acquire a significant minority stake, ET first reported in January. The valuation of BMS then was estimated to be around ₹7,500 crore (\$900 mn), ET reported.

A KKR spokesperson declined to comment, while BookMyShow did not respond to the queries sent on Saturday.

Zomato's entry into the entertainment and ticketing market is expected to hit the revenue of BookMyShow, which enjoys a near-monopoly with 75% market share.

The largest shareholder of BMS, operated by Bigtree Entertainment, is Reliance unit Network18, holding a 39% stake. Other existing investors include Accel, Elevation Capital, Stripes Group, and TPG Growth.

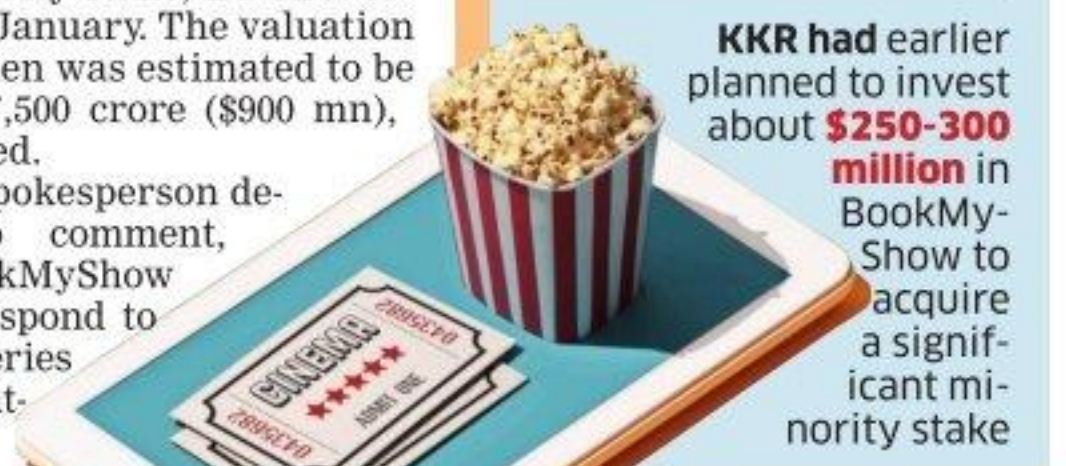
Zomato, a household name with food delivery service and quick commerce platform Blinkit, plans to increase its presence in the going-out vertical. Earlier, Zomato's chief executive Deepinder Goyal said the company anticipates the gross order value of its going-out

### Big Picture

**Zomato's entry** into the entertainment and ticketing market is expected to hit the revenue of BookMyShow, which enjoys a near-monopoly with 75% market share

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vertical to grow more than threefold to over ₹10,000 crore by FY26.

In the last fundraise round in 2018, TPG Growth and other investors deployed \$100 million (\$670 crore) into BMS. The pre-money valuation at that time was \$750 million (\$5,140 crore). Prior to that, BMS had raised ₹550 crore in July 2016 at a valuation of ₹3,000 crore. In 2014, Bigtree Entertainment raised ₹150 crore (\$25 mn) from SAIF Partners and its existing investors Accel Partners and Network18 valuing the company at over ₹1,000 crore.

Last month, Zomato acquired Paytm Insider for ₹2,048 crore, aiming to scale up its going-out business.

## P2P Investors Take to Social Media to Vent Against New RBI Rules

Investors flag their concerns around changes in their investment terms and conditions

Pratik Bhakta

**Bengaluru:** The regulatory update on peer-to-peer lending guidelines issued by the Reserve Bank of India in August has started to show its impact on the fintech sector. Multiple applications that were using the P2P route for investments and lending to their customers are either stopping these services or restructuring the product. Gurugram-based fintech firm Mobikwik has stopped instant withdrawal facilities for investors on its P2P investment platform 'Xtra'. It works as a customer-sourcing channel for Lendbox, an RBI-registered P2P platform.

"Two people in the know said Bengaluru-based Cred, which runs the Mint P2P investment platform in partnership with Liquiloans, has stopped taking fresh deposits.

Fresh deposits had stopped on Cred sometime back, after regulatory scrutiny went up on P2P investments earlier this year, one of the people said. "In line with the updated NBFC-P2P master directions issued by the RBI on August 16, 2024, Mobikwik which acts as a channel partner to its NBFC-P2P partner, Lendbox, has made certain changes to Xtra as per their requirements. Lendbox has restructured the product as per the new master direction which has resulted in stoppage of anytime withdrawal," said a Mobikwik spokesperson, responding to ET's queries.

Some of Mobikwik's investors have taken to social media channels like X and Reddit to flag their concerns around changes in their investment terms and conditions.

"Received an email today from Mobikwik regarding certain changes they have (made) to their P2P programme named 'Xtra' due to recent guidelines from the RBI. Now I can only see the principal amount and no option to withdraw it. It will be available on the 12th of each month only and I think (it is) dependent on the borrower's timely repayments which is concerning," wrote a user on Reddit on Tuesday.

The Mobikwik spokesperson said the changes that it has implemented have been duly communicated to all existing customers and the company is addressing customer queries regarding this development. "We have also provided detailed Frequently Asked Questions (FAQs) to our customers," he added.

Emailled queries to Cred, Liquiloans and Lendbox went unanswered.



**A SOURCE SAYS...**

**Fresh deposits stopped on Cred sometime back, after regulatory scrutiny went up on P2P investments earlier this year**

## Karnataka IT Minister Wants to Create 5 More B'lurus in State

Kharge wants to position state as a space for knowledge and skills

Our Bureau

**Bengaluru:** Karnataka wants to create 4-5 more regions like Bengaluru, India's Silicon Valley, in the state, minister for electronics and information technology and biotechnology Priyank Kharge said. Speaking at an event organised by IT industry body Nasscom, Kharge said he wants to position Karnataka not just as an investment destination, but also a space for knowledge and skills. In a fireside chat with Nasscom president Debjani Ghosh at its Design and Engineering Summit 2024 on

**PRIYANK KHARGE**  
IT-BT minister, K'taka

**We will ensure best trained talent is supplied from Karnataka...**

Wednesday, Kharge said this will bring in more innovation in the country and in the next 4-5 years, Karnataka will not just be innovating for India but for the world.

In a recent post on microblogging portal X, Kharge said Karnataka is the fourth largest technology cluster in the world and the leader in

the country in many verticals. The southern state has over one-third of India's tech talent and close to 25,000 startups, 52 unicorns (startups with valuation of \$1 billion or more) and 47 soon to be unicorns.

India ranks third in artificial intelligence skill penetration, only behind the US and Germany, and AI plays a big role in the engineering and research & development (R&D), he said, while pitching Karnataka to be a supplier of the best trained talent in this sector.

"We will ensure the best trained talent is supplied from Karnataka... We are talking to several partners including services companies, GCCs (global capability centres) in the industry. We are ready to train them," Kharge said.

