**Industry and market size:**

* Industry Reports - [Market Size](https://www.futuremarketinsights.com/reports/millet-market?utm_source=chatgpt.com) , [Others](https://www.mordorintelligence.com/industry-reports/millets-market?utm_source=chatgpt.com)
* Technology Reports- [Food Innovation with AI](https://www.wsj.com/articles/oreo-owner-mondelez-taps-ai-to-tweak-its-classic-snacks-6fa4c4cd?) , [AI in Ops](https://www.marketwatch.com/story/yum-brands-stock-rises-as-taco-bell-and-kfc-fuel-profit-and-revenue-beats-f25db4b4), [AI in CPG](https://nielseniq.com/global/en/info/ai-for-consumer-packaged-goods-cpg/)

### **Revenue Streams**

* Clearly define all sources of revenue. For each stream, include:
  + **Name of the Revenue Stream**: Product Sales
  + **Description**:
    - What is it? - B2B, B2C, B2B2C
    - How does it work? - B2C means Business to Customer Product Sales via E Commerce Sites, our Women Microdistributors or Website. B2B2C includes business that we sell goods in bulk to, who then make it available to their customers like Meta, and B2B incldues bulk purchase of the products from HORECA
  + **Target Audience**: Who is paying? - Our Target Audience for B2C is women 35 years and above, educated, living in metro/T1 cities, with kids, and a household income north of 10LPA.
  + **Percentage Contribution**: Share of total revenue (if available). B2B- 35%, B2C- 65% of which 40% is Amazon, 40% is Microdistributors and 10% is D2C.

### **Pricing Strategy**

* Outline the pricing models and tiers.
  + **Flat Rate**: Fixed pricing for all end customers.
  + Rationale behind pricing (market research, competitor analysis). - a mix of both plus qualitative price sensitivity research via naario community

### **Unit Economics**

* Key metrics for revenue generation.
  + **Customer Acquisition Cost (CAC)**: How much it costs to acquire a customer. - varies from channel to channel- D2C is Rs 380, Partners at about Rs 50
  + **Lifetime Value (LTV)**: Revenue generated from a customer during their relationship.- We generate close to Rs 1100 in LTV in 6 months time.
  + **LTV: CAC Ratio**: Indicator of profitability. - 2.9

### **Recurring vs. One-Time Revenue**

* Segregate revenue into:
  + **Recurring Revenue**: Subscription fees, memberships. - NA
  + **One-Time Revenue**: Single purchases, setup fees. - ~14L per month

### **Payment Flow and Terms**

* How payments are collected and processed.
  + Direct payments, online gateways, invoicing. - All
  + Payment frequency (monthly, annual, one-time). - One time
  + Refund and cancellation policies (if applicable). - No questions asked RTO

### **Scalability of Revenue Model**

* How the revenue model will scale as the business grows.

Naario’s revenue model is designed to scale through a self-reinforcing **flywheel effect**:

1. **Community-first approach**: We began by building a highly engaged women-led community that not only consumes but also advocates for our products. This reduces customer acquisition costs over time.
2. **Product adoption & repeat purchases**: With categories neatly spread across snacks (for trials) and staples that fit into daily consumption habits, our model benefits from high repeat rates, ensuring revenue compounding without proportionate increase in marketing spend.
3. **Word-of-mouth → Lower CAC**: Each satisfied customer becomes a micro-distributor of trust, amplifying reach in both digital and offline networks, especially among women-driven households.
4. **Expansion through distribution**: As brand awareness grows, we expand from D2C to Quick Comm, and B2B tieups- cafés, and institutional (e.g., Blue Tokai). This expands revenue streams without overdependence on any single channel.
5. **Flywheel momentum**:  
   * More community → more feedback + advocacy → more adoption
   * More adoption → higher repeat purchases → stronger revenue base
   * Stronger revenue → scale new categories + distribution → more community touchpoints
6. **Long-term scalability**:  
   * From **core categories (atta, muesli, snacks)** → expansion into adjacent staples & functional foods
   * From **India’s Tier 1 + NCR** → Tier 2 & export markets
   * From **B2C-first model** → omnichannel presence with Quick Comm, Cafés, and Modern Trade eventually

This creates a model where **growth in one area (community or product adoption) feeds into the next**, enabling revenue to grow **exponentially rather than linearly** with scale.

### **Additional Revenue Opportunities**

* Future revenue streams the startup plans to explore.

**Additional Revenue Opportunities** Beyond core D2C, retail, and B2B, we plan to unlock new revenue streams through:

* **Exports:** Tapping into global demand for Indian millets and clean-label products.
* **Women-led Micro-Distributors:** Creating mini cafés/restaurant formats run by women partners to drive hyperlocal brand presence and sales.

## **Competitor Analysis Framework (cover 2-3 competitors operating in the similar revenue model or advanced revenue model in comparison to your company)**

| **Category** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| --- | --- | --- | --- |
| Company Name | Tata Soulfull | Troo Good | 24 Mantra Organic |
| Headquarters | India (Bengaluru-based) | Hyderabad / Andhra Pradesh | India-wide |
| Founding Year | ~2011 / Soulfull later | ~2018 | Niche establishment (pre-2020s) |
| Total Funding Raised | Rs 25 cr S-fund; $5.3 M Series A | ₹55 cr Series A + $1M seed | Promoter-funded/organic |
| Funding Rounds |  |  |  |
| Investors | Avishkaar Bharat Fund | OAKS Asset Mgmt, Sashi Reddi | N/A |
| Business Model | RTE breakfast cereals via retail + online | Millet snacks, D2C, exports | Organic millet grains & mixes |
| Revenue Streams | Retail (online + offline) | Retail, bulk, exports | Retail organic products |
| Target Market | Health-conscious urban consumers | Children, schools, health seekers | Organic-conscious premium segment |
| Gross Margin |  |  |  |
| Net Margin | N/A | EBITDA-positive | N/A |
| Operating expense |  |  |  |
| Current ARR | Not public | ₹70 cr | Not public |
| Current MRR |  |  |  |
| ARR Growth Rate |  |  |  |
| Churn Rate |  |  |  |

**Founders Profile:**

* Education- B.Tech, NIT Warangal; MBA (enrolled)- The University of Chicago Booth School of Business, which I later dropped to pursue entrepreneurship full-time
* Work experience- Head of New Initiatives, Bigbasket Daily, where I helped design and launch a new consumer-facing subscription model- BBDaily (BigBasket’s daily/ subscription delivery arm)
* Details of previously founded companies
  + Status of past founded companies -NA
  + ESOPs- NA
  + Investments done by Founder- in MFs - my personal MF portfolio gave me a return of ~25% in 2 years in 2019
  + Litigations (Personal, Business & Criminal)- NA

**Financials:**

* MRR- ~INR 14 Lakhs
* ARR- ~INR 1.5 Cr
* Burn- ~INR 15k
* Runway- 8 Months in realistic scenario
* Gross Margin- Avg - 64%, Ranges between 58-76% depending on category
* CM1% - 64%
* CM 2% - 29%
* CM 3% - 18%

**Facilities:**

* Office details- Registered- G98, Raptinagar phase 4, Gorakhpur, Virtual- Alt F Coworking
* Plant details- We work with 3 setups - 2 of which are cooperatives across Tamil Nadu, Gujarat and Delhi
* Warehouses- Chhatarpur, Delhi

**Technology:**

* Write up on Tech stack -
  + **B2B2C (Partner) Distribution: Rupyz**We use **Rupyz**, an India-grown SaaS platform for B2B e-commerce and sales automation, to power our partner-facing backend.
  + **D2C Front-End: Shopify**Our consumer-facing store runs on **Shopify**,
  + **Customer Connect & Support: Helio** For CRM and customer service, we rely on **Helio**, which integrates deeply with **WhatsApp** and Instagram to deliver fast, conversational support.

**Fundraiser:**

* Total funding details till date- 1.85 Cr split into an Angel and a Pre Seed round

**Valuation:**

* **Valuation rationale-**

**1.** Community-led Growth → Low CAC  
 Built on a strong network of women entrepreneurs & evangelists, making customer acquisition **capital-efficient**.

**2.** Lean Brand-building → Low Marketing Costs  
 Organic narrative + word of mouth replace expensive ad spends, driving **high ROI growth**.

**3.** Operational Efficiency

* **B2B entry** unlocked via community trust, no heavy trade spends.
* **Low-cost NPD**, with products co-created & tested in-community.

**4.** Scalable Customer Success Community-driven service builds **trust, retention & high LTV/CAC ratios**.

**5.** Strong Brand Equity from Day 1  
 Authentic storytelling → **fast adoption, high repeat rates, and brand love**.

Naario isn’t a burn-heavy FMCG play. Our **community-first model makes growth cheaper, stickier, and more defensible**, justifying a premium valuation multiple.

**Round structure:**

* Terms (Primary / Secondary) - Primary
* Pre-Money- 23 Cr
* Lead- TSUV- The step up ventures
* Incoming Investors- TSUV,
* Existing Investors- Angelist, HEM Angels, Supermorpheus, Yourstory, Prashant Pitti (EaseMyTrip)

**Following the above information, we request you to provide a detailed business note for reference in the format below:**

* Key Problem Solved - The Indian kitchen today is caught in a tug-of-war. Between hyper-processed "modern" food that is harmful in the long run, and traditional food that is healthy but inconvenient and time-consuming to prepare. For the conscious Indian woman trying to feed her family better, there are few brands that make clean eating easy and trusting.

Naario solves this by reimagining what Indian FMCG would look like a decade from now. We create Indian pantry staples from gut-friendly multigrain atta to millet-based snacks that are 100% clean-label, often millet-powered, and rooted in Indian taste and culture. Our products are built for everyday use- convenient, shelf-stable, and delicious- making them easy to adopt and even easier to stick with.

And we don’t just sell healthy food. We build habits by leveraging a trusted community of 8,000+ women across India. It’s clean food, with a built-in support system.

* Business Model-**Naario’s business model is built on a flywheel powered by its community and women partners.** Our community drives product co-creation, feedback, and early adoption, while our network of women partners amplifies trust and grassroots distribution. This creates pull for our D2C and e-commerce channels, where clean, everyday food products gain traction. As demand scales, B2B partnerships (institutions, cafés) further expand reach, reinforcing brand visibility and community growth. The more the community and partners engage, the stronger the demand loop becomes, creating a self-sustaining growth engine.

**Pipeline**

* Sales Pipeline Value- INR 15-20 Lakhs per month with Blinkit and B2B, with Quick Commerce revenue increasing at a minimum of 10% Month on Month
* Projected Growth Opportunities - Quick Commerce, B2B Pipeline spanning across Chaayos, PVR, Cinepolis and Akasa Air  
  **Why Now**
* Market Trends - India’s packaged food and healthy snacking market is undergoing a massive shift, driven by rising health consciousness, urban lifestyles, and growing disposable incomes. The Indian healthy foods market is expected to cross **₹1.5 lakh crore by 2027**, growing at over **15–20% CAGR**, with millet-based products gaining traction.

At the same time, over **65% of consumers in urban India actively check labels** for natural ingredients and low sugar, showing demand for “clean” and “trustworthy” products. Beyond just food trends, there’s a **trust deficit in big FMCG brands**, creating a unique window for women-led, community-first brands like Naario to capture loyalty.

* Competitive Edge- On one hand, our **community-first approach** builds strong trust and organic advocacy with women, the core decision-makers in households. On the other hand, our **efficient, women-powered supply chain** ensures agility, cost-effectiveness, and scalability while maintaining the transparency that traditional players lack.
* Urgency/Opportunity- The next 3 to 5 years are critical for capturing consumer loyalty as new eating and shopping habits are forming. Entering and scaling now (especially B2B ecosystem creation) allows us to become the go-to brand for mindful, everyday essentials before larger incumbents catch up.

**Financials**

* Funding Ask- 50 Lakhs to 1 Cr via LV
* Structure (e.g., SAFE, Convertible Note)- CCPS
* Valuation Cap and Floor- 23 Cr is the floor, 29 Cr is the cap
* Current Commitments- ~40% including soft and hard commitments

**Risks and Mitigation**

* Identified Risks-
* Proposed Mitigation Strategies

| **Identified Risks** | **Proposed Mitigation Strategies** |
| --- | --- |
| Competition from established FMCG brands | Differentiate with a women-led narrative, community-driven brand trust, and authentic, clean-label products that large FMCGs lack. |
| Consumer education gap about millets and healthy alternatives | Invest in storytelling-led marketing, sampling, and community events to drive awareness and adoption. |
| Scaling the supply chain with consistent quality | Build long-term supplier partnerships with women-led units, implement strict QC checks, and gradually digitize procurement for transparency. |
| Customer acquisition costs (CAC) are increasing with digital clutter | Leverage organic community-led growth, word of mouth, and retail presence to reduce over-dependence on paid ads. |
| Risk of being perceived as a niche/urban-only brand | Expand product portfolio with accessible SKUs, strengthen presence in Tier 2/3 cities, and communicate affordability along with health. |
| Operational strain during rapid scaling | Phase-wise scaling of operations, strong governance processes, and building a lean but capable team structure. |