



E-Commerce Post Conference Report | February 2014

Featuring Company Connect

Takeaways from company interactions

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Contents

	Page No.
MOBIZ - E-Commerce Feruary 2014: Takeaways at a glance	3-4
Bharat Matrimony	5-6
Cyberplat	7-8
DTDC	9-10
Get My Meal	11-12
MyDala	13-14
Pay Point India	15-16
People Group.....	17-18

Investors are advised to refer through disclosures made at the end of the Report.

Motilal Oswal Business Insights Day I E-COMMERCE CONFERENCE

India is always known to have leaped ahead in innovation, skipping layered growth. For instance, the wireless revolution in India happened before fixed line. And now, this appears to be happening in E-Commerce, which has created a larger footprint in a shorter time than store retailing. E-Commerce in India currently constitutes 0.25% of the overall Retail industry, with a market size of USD2b. In comparison, E-Commerce as a percentage of Retail is 6% in China, 9% in US and 4% in Latin America. The headroom for growth in E-commerce in India is immense.

At 'Motilal Oswal Business Insights Day - E-Commerce Conference', we hosted companies across the spectrum of e-retailing, online search, data analytics and online payment solutions. We present our key takeaways.

Takeaways at a glance

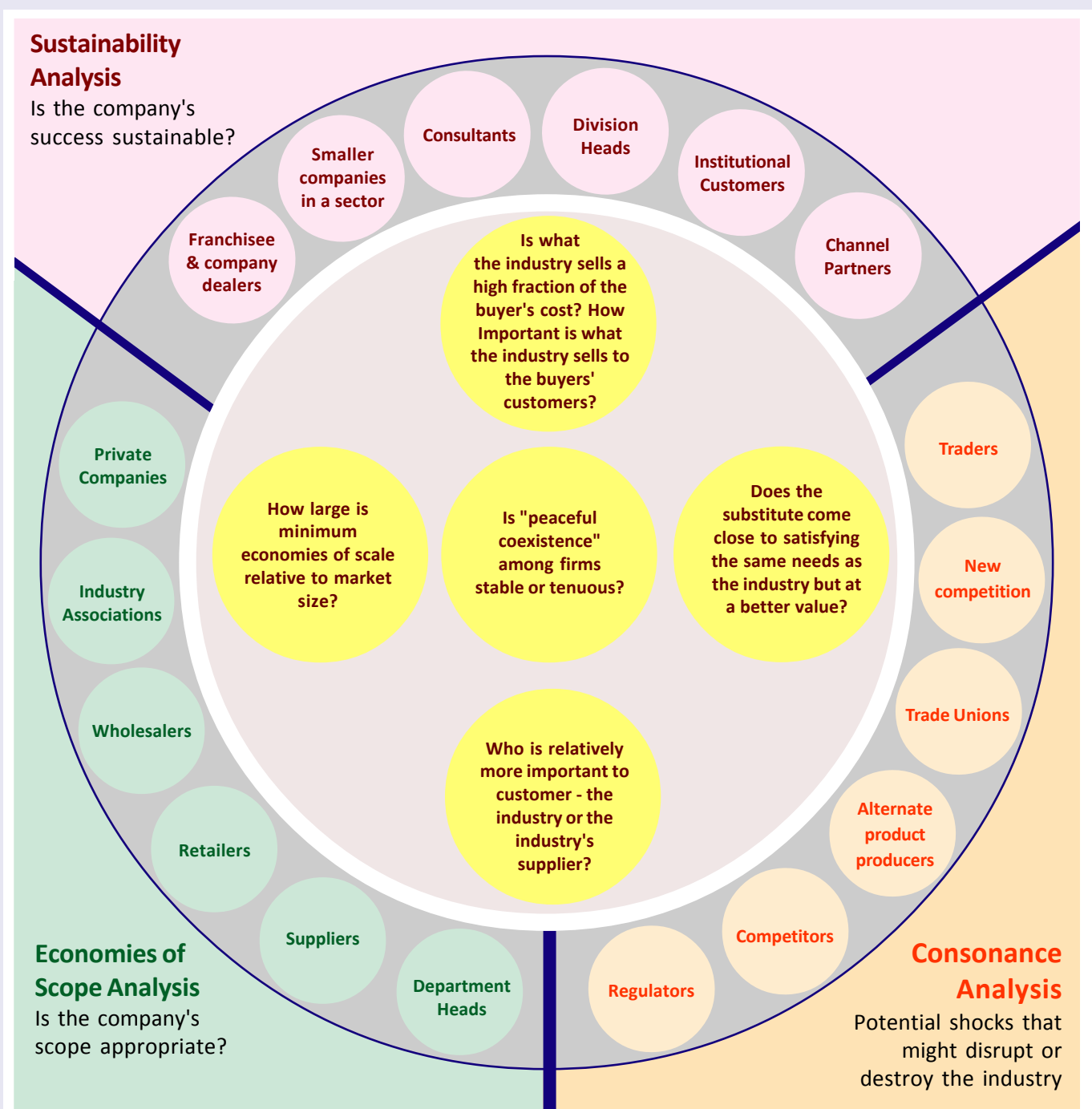
Participant	Key discussion points / Highlights
Bharat Matrimony	<ul style="list-style-type: none"> ■ Bharat Matrimony is the world's leading online matrimony service. It has been recognized by Limca Book of World Records for having a record number of documented marriages online ■ Bharat Matrimony has evolved from 'Online Match' to 'Match Making' to 'Marriage Service Provider', thus expanding its target market / opportunity size. ■ Every year, Bharat Matrimony has been taking price hikes of 5-10% without impacting the growth of paid subscription, substantially
Cyberplat	<ul style="list-style-type: none"> ■ Cyberplat is Zurich-based MNC, which started operations in India three years ago. ■ A 100% FDI, it sells top-ups to dealers of Telecom and DTH companies. ■ Cyberplat has a strong network of ~30k distributors and ~150k aggregate partners. It is the only player in the business that uses digital signature.
DTDC	<ul style="list-style-type: none"> ■ DTDC is one of the largest Indian companies in the Express, Courier & Logistics Services industry. It is also credited with pioneering the franchisee concept for the courier industry in India and today has the largest network in the country, with 6,500 channel partners. It serves nearly 10,000 pin codes, delivering 11.5m consignments per month. ■ The e-commerce market, which currently stands at USD2b, is slated to reach at least USD25b by 2025. Logistics costs as a proportion of total costs for e-commerce players are typically ~10%. Hence, growth in the logistics sector will be directly correlated to the e-commerce sector.
Get My Meal	<ul style="list-style-type: none"> ■ Get My Meal (rocketsandwich.in) was started by Tenzin Thargay, Poonam Kanwal and Vivek Jha ■ Launched in 2010, under the brand name Rocket Sandwich, Get My Meal runs three retail outlets (300sf carpet area) and two corporate kiosks (one for TCS and one for Standard Chartered). Three of its five outlets have broken even
MyDala	<ul style="list-style-type: none"> ■ MyDala is the largest coupon provider in India. It has partnered with over 100,000 merchants across 152 cities. MyDala's offers reach 200m unique users monthly, through internet, mobile and TV. ■ MyDala started its business four years ago. Currently, it has 110,000 merchants and targets over 1m merchants. As at December 2013, it had 27m visitors and 38m reviews. ■ Cost of customer acquisition is INR6 for MyDala as compared with INR300-800 for e-commerce players.
Pay Point India	<ul style="list-style-type: none"> ■ Pay Point India was started in 2009, with a vision to facilitate and simplify methodologies of making and processing payments anywhere and everywhere ■ Pay Point India is a payment collection hub that facilitates collection of bills of various utility services providers, issue of movie, transport, airline and railway tickets and recharge of prepaid mobile phones. ■ The promoter defines his business as Fast Moving Consumer Services (FMCS).
People Group	<ul style="list-style-type: none"> ■ People Group is made up of three companies - People Interactive, People Infocom and People Pictures. People Interactive is the Consumer Internet arm of the Group and owns the extremely successful matrimonial portal, Shaadi.com, along with real estate site, Makaan.com, and friendship and social networking service, Fropper.com ■ Being an NRI, promoter Mr Anupam Mittal first launched Shaadi.com in the NRI market in 1996. Later, Shaadi.com was expanded to cater to the pan-India market. ■ Four verticals - Real Estate, Dating, Automobiles and Jobs are the largest online search verticals, globally. People Group has a presence in Real Estate through Makaan.com and Matrimonials through Shaadi.com.

Brief on MOBIZ

The goal of **MOBIZ (Motilal Oswal Business Insights Day)** is to get a comprehensive fact-based "baseline" assessment of sectors and companies. It aims to extend investor's sphere of influence from the current established sources such as company management

and media, by facilitating interaction and knowledge sharing with people, who are engaged in the business at the ground level across various stages. This will allow investors to get real insights into a company's competition, substitutes, suppliers and customers and get a new perspective on several issues.

MOBIZ will help get new perspectives on businesses from a wide range of participants





Founded in 1997
Senior Management:
Murugavel Janakiraman
(Founder & CEO)
Headquarters:
Chennai, Tamil Nadu
Services:
Online Matrimony
Service

Bharat Matrimony

- Bharat Matrimony is the world's leading online matrimony service. It has been recognized by Limca Book of World Records for having a record number of documented marriages online.
- Bharat Matrimony has ~2m active users and over 20m registered members. It was recognized by Alexa, Traffic Estimate and Comscore as the most visited matrimonial portal worldwide.
- BharatMatrimony.com has 2,300 affiliates. It has extended its services to cater to the NRI community by setting up operations in USA, Dubai, Canada and more recently in UK. Its matrimonial services cross technological barriers. It has been able to provide matrimony services on mobile devices through its short code across major GSM service providers, 5050.
- The company has launched "Voice Matrimony", a unique matrimony service on mobile phones that allows users to record, listen and send voice messages to interested prospects. It has America's first and only matchmaking publication, "Desi Match".

Dr Jayaram K Iyer (Chief Strategy Officer)

As Head of Strategy, Dr Iyer leverages data for growth and profitability across businesses. He is currently ushering Campaign Management and Analytics into the organization. His Strategy function spans across corporate and marketing strategy, new business incubation, and inorganic growth.

Key takeaways

Inception and evolution

- Bharat Matrimony was first launched in Tamil before 2000.
- In 2000, it quickly launched across all languages in India.
- Today, Bharat Matrimony is present not in all Indian languages, but has also ventured into countries like Sri Lanka, UAE, Pakistan, etc.

Business statistics

- Business is segmented into three broad areas:
 - **Elite Matrimony:** This caters to premium match making for affluent families. The company derives 5% of its revenues from this segment, where charges are up to INR50k per match.
 - **Assisted Matrimony:** Bharat Matrimony also offers personalized match making at its outlets. Charges are up to INR19k per match. This segment contributes ~15% of total revenues.
 - **Regular Online Matrimony:** This is the company's bread-and-butter, from where it derives ~80% of its revenues. Charges are up to INR3,590 per subscriber.
- India has ~70m individuals in the marriageable age group of 20-35. Love marriages constitute just 2% of all marriages in India. The size of the online matrimonial market in India stands at INR5b. Bharat Matrimony has 70% market share, currently. On an average, it achieves 8k profile registrations per day and 1.5k marriages per day.
- ~70% of its lead acquisitions happen organically. Only ~30% happen through Google and advertisements.

- Bharat Matrimony is strong in the 'cow belt' (Uttar Pradesh, Haryana, Punjab, etc), but weak in the 'MOW belt' (Madhya Pradesh, Orissa and Chhattisgarh). It plans to focus on MOW, going forward.
- It has a total user data base of 50m. Men account for 70% of registrations and women for 30%. 20m are active users. 2.3m are paid users. Paid users have increased from 7% of total users in 2009 to 15% currently. Only paid users can access contact details of the profiles they like; free users cannot. Average realization per paid user is INR5k, for a usage period of three months.
- On an average, a user renews his contract thrice (renewal rate stands at 60%) and is active for 900 days. Subscriptions account for 99% of Bharat Matrimony's revenues. Unlike Google Search, users happily scroll down on 'n' number of pages, as people go through at least 500 profiles before they zero in on a match.
- To supplement online services, the company has 200 offline centers that help in assisted search, especially for parents looking to get their children married. A store takes about four months to break even. Bharat Matrimony targets 400 stores in the next two years.
- The company has a market share of 90% in Kerala. It is the undisputed leader in South India. Its core business enjoys 40% margin.
- Overall attrition rate is very low. Attrition is highest in the telemarketing team, at about 12%. In other departments, it is fairly low.
- Bharat Matrimony also sends a separate magazine to every paid subscriber depending on his/her requirement, providing relevant searches.
- It also has started a new venture called 'Tambulya' for enabling return gifts. It is profitable and cash positive. The company currently has three 'Tambulya' stores.
- Bharat Matrimony is India's number-1 company in terms of online advertisement expense. 40% of its revenues are spent on advertisement.

Key strategic initiatives

- Bharat Matrimony has evolved from 'Online Match' to 'Match Making' to 'Marriage Service Provider', thus expanding its target market / opportunity size.
- On an average, in each wedding, INR800k is spent on expenses like catering, decoration, etc. This is a large unorganized market, which the company is beginning to exploit.
- Similarly, marriage return gifts are a large market that the company has ventured into. On an average, a family spends INR50k towards return gifts for relatives.
- 'Photo Match' is a key technological innovation Bharat Matrimony undertook. It enables a user to upload a photograph of a celebrity with the desired profile (slim, fair, etc) and find matches accordingly.
- Every year, Bharat Matrimony has been taking price hikes of 5-10% without impacting the growth of paid subscription, substantially.

Key concerns

- Some subscribers may resort to social networking sites like Facebook to get contact details of a search they have undertaken on Matrimony.com to avoid paying subscription fees. The company can mitigate this by removing the names of the candidates.
- Fewer auspicious days in a particular year.
- Some marriage agents may utilize the website data for their business; however, this is closely monitored and such agents are partially blocked.



Founded in 2009
Senior Management:
Alok Jha (MD)
Headquarters:
Mumbai
Services:
Payment Processing System

Cyberplat

- Cyberplat is Zurich-based MNC, which started operations in India three years ago.
- A 100% FDI, it sells top-ups to dealers of Telecom and DTH companies.
- It is a low capital intensive business, with high margins.
- Cyberplat's current employee strength is 14, which can cater to even higher scale business. It does 20m top-up transactions a day. So far, it is in the wholesale business.
- Cyberplat has a strong network of ~30k distributors and ~150k aggregate partners. It is the only player in the business that uses digital signature.

Business model

- There are two major revenue streams - mobile recharge and DTH recharge. There are three market aggregators - Oxygen, Euronet and Cyberplat. The first two have been in the industry for over 10 years and Cyberplat has been around for three years. The current market leader is Oxygen, with gross recharge of INR80m-90m per day. Euronet and Cyberplat do INR50m-60m a day. For Euronet, 40% revenues come from banks. The limit that Cyberplat has from is 30% of INR 50mn. With increase in transaction value, the working capital intensity in the business will inch higher.
- In a short span of three years, Cyberplat has grown to the number-2 position because of its seamless error-free transactions, and better technology and processes. It achieved operating breakeven eight months ago and should achieve profit breakeven in the next 6-8 months. Cyberplat charges one-time fee of INR100k from every retailer it partners with.
- Net revenue stands at INR200m. Telecom accounts for 80% of revenue, with the balance from DTH. Of the total prepaid recharges in Telecom, 25% happen through vouchers and the balance 75% are done online. The business requires net working capital of INR80m-100m. 25% of the capital is invested in working capital, 25% in upgrading software, and the balance 50% in infrastructure set-up and manpower.
- The cost per year for Cyberplat stands at INR25m as compared to revenue of INR200m, highlighting huge operating leverage in the business.
- Gross commission charged on mobile recharge is around 3.3% weighted average. Net margin left for Cyberplat is 0.4%. In DTH, the weighted average gross margin is ~4% and net margin is ~0.5%. EBITDA margin is 28-30%.
- Every team member gets a salary + commission on transaction basis, leading to low attrition.
- Being a 100% FDI player, Cyberplat cannot sell to direct customers. To get over this limitation, Cyberplat is looking for a strategic Indian partner.

New concept: "Change to Recharge"

- The "change" market is estimated at INR10b-15b, that is, 7% of total cash market transactions. Getting "change" from the bank also incurs a cost of 2%. Thus "change" is a kind of necessary evil. As per the new "Change to Recharge" concept,

a card will be issued to the customer and the "change" in any monetary transaction will be credited to the customer's card account maintained by Cyberplat. The credit balance can be later used for recharge. With this platform, the transaction time is expected to reduce from the current 21 seconds to 4 seconds. Cyberplat plans to introduce it to mom-and-pop stores. This concept was launched in Moscow and was a big success there, which Cyberplat hopes to replicate in India. It will require RBI approval for launching its own wallet.

- The infrastructure requirement is fairly low. Currently, it has a capacity to process 2,000 transactions at a time. It works on ~40% server capacity utilization and when the capacity utilization reaches ~65%, it upgrades the server.
- Cyberplat plans to start its association with banks and modern retail chains.
- Its offering is better than Airtel Wallet in a number of ways: (1) digital signature, (2) lowest error, (3) 100% uptime, (4) more efficient.
- Cyberplat has successfully established its operations in Russia and set up kiosks catering to 1,700 services like utility bill payments, rent payments, parking penalty payment, etc. In India, the kiosk model has not been successful, but Cyberplat is applying a lot of its learnings from Russian operations in India.



Founded in 1990
Senior Management:
Subash Chakraborty
(Founder & CMD)
Suresh Bansal
(Director - International & Marketing)
Headquarters:
Victoria Road, Bangalore
Services:
Express Courier & Carriage

DTDC

- DTDC was conferred with "Best Express Distribution Service Award" by IIMM (Indian Institute of Materials Management).
- DTDC is one of the largest Indian companies in the Express, Courier & Logistics Services industry. It is also credited with pioneering the franchisee concept for the courier industry in India and today has the largest network in the country, with 6,500 channel partners.
- DTDC's services range from domestic to international delivery, premier express, supply chain solutions, new world retail, warehouse services, etc.
- It has 281 own offices and 6,500 channel partners spread across the country. It serves nearly 10,000 pin codes, delivering 11.5m consignments per month.
- Over the years, DTDC has successfully transformed itself into a full-scale supply chain solutions provider, offering domestic and international express, freight, transportation, logistics management, warehousing and distribution services.
- In July 2013, GeoPost SA took 40% stake in the company. GeoPost is a leading player in express service in Europe, ranked number-1 in France and number-2 in Europe. It serves 230 countries worldwide. The partnership will help DTDC to gain a larger international footprint and enable global dominance in B2B and B2C markets.

DotZot - E-Commerce Logistics Specialist

- Launched in mid-2013, DotZot is the first pan India delivery network, focused exclusively on the e-commerce/e-retail space. It is backed by DTDC's size, scale and reach, and covers 8,000 plus pin codes and 2,300 cities across India.
- DotZot aims to bridge the gap faced in logistics infrastructure by providing superior logistics solutions to e-retailers, who are increasingly looking to enhance customer shopping experience. DotZot ensures constant visibility of shipments and real time flow of information. It offers superior value and reliability to e-retailers.

Sanjiv Kathuria (Co-founder and CEO of DotZot)

Mr Kathuria has a decade's experience in the Logistics industry. His last role was that of Country Director - Sales & Marketing at TNT India. While there, he delivered accelerated revenue growth and was also responsible for the successful launch of TNT's domestic business. Mr Kathuria has an MBA from IIM (Bangalore). He is a Post Graduate in Management and Business Studies from University of Warwick.

Abhishek Chakraborty (ED)

An Electronic Engineer and PGDBA from IIM (Bangalore), Mr Chakraborty was previously associated with a leading management consulting firm. He joined DTDC as a Director in 2009 and is the architect for the Premium Express Products (PEP) division, Retail division and DTDC New World. He has played a key role in re-shaping DTDC's operational footprint, including introduction of on-board courier (OBC) operations and the re-engineering of operational infrastructure.

Key takeaways

Inception and evolution

DTDC is one of the largest Indian companies in the Express, Courier & Logistics Services industry. It is also credited with pioneering the franchisee concept for the courier industry in India and today has the largest network in the country, with 6,500 channel partners.

Business statistics

- The e-commerce market, which currently stands at USD2b, is slated to reach at least USD25b by 2025. Logistics costs as a proportion of total costs for e-commerce players are typically ~10%. Hence, growth in the logistics sector will be directly correlated to the e-commerce sector.
- Network and scale are key entry barriers for new players. Also, managing a large labor force is critical, apart from being reliable for timely and assured delivery.
- The logistics industry is undergoing a radical change. Earlier, most parcels were documents; with the advent of e-commerce, the quantity of goods to be delivered has increased. Earlier, two-wheelers were sufficient to deliver shipments; these are getting substituted with four-wheelers.
- The e-commerce industry will not just be dominated by large players. In the US, there are over 500k e-tailers; in India, they are fewer than 10k. The logistics industry will be a key driver for the industry.

Key strategic initiatives

- DTDC runs an asset-light business, with no fixed capital investments - neither in aircraft nor in any vehicle fleet.
- The company has mastered the channel partner concept in the Indian logistics industry. It has 6k channel partners across India.
- It is one of the few players offering a comprehensive solution for clients - they can rely on DTDC for both air and surface transport. Because of its wide and deep network, it can easily deliver in a time-bound and cost efficient manner.
- DTDC is neutral to business expansion in either air or surface - it aims to deliver the best suited solutions to clients (80% of shipments in Europe are delivered by road).

Key concerns

- Limited cargo capacity on major airports - if e-commerce has to grow 10x, current infrastructure is not equipped to handle it.
- The road network in India is of poor quality. This coupled with a large number of check posts results in delays.



Senior Management:

**Tenzin Thargay
(Founder)**

Vivek Jha (Co-founder)

Headquarters:

Mumbai

Services:

Online Meals

Get My Meal

- Get My Meal (rocketsandwich.in) was started by Tenzin Thargay, Poonam Kanwal and Vivek Jha. Initially, the idea was to sell spare capacities, since kitchens like TajSats, Birdy's and Oberoi's did not have a business-to-consumer channel. Get My Meal helped them sell their products in the retail market. The company sold 18,000 meals in 7-8 months time.
- It then shifted to a party execution model, wherein it organized 700+ parties in 7-8 months time. It has now moved into the QSR space and has four running outlets in Mumbai. It plans to open 15 plus retail outlets and 20 plus corporate kiosks in the next 12 months.
- The company has a two-pronged revenue model
 1. **Retail format stores:** Earnings on products are as a mark-up on costs. The typical customer is from the residences and offices in the vicinity.
 2. **Corporate kiosks:** Here too, earnings on products are as a mark-up on costs, but the customers are exclusively from a corporate office complex.
- In five years, rocketsandwich.in intends to have outlets in at least five cities, with over 50 outlets in each city. Each outlet should do an average business of INR500k-700k per month.

Tenzin Thargay

Mr Thargay is a B.Tech in Computer Science and an MBA from IIM (Bangalore). He worked under the MD of SBI for establishing SBI's Internet Banking venture. Later, at SBI Caps, he designed and implemented a portal-based ERP system. Mr Thargay has also driven the Product/Marketing role at rediff.com.

Key takeaways

Inception and evolution

Launched in 2010, under the brand name Rocket Sandwich, Get My Meal runs three retail outlets (300sf carpet area) and two corporate kiosks (one for TCS and one for Standard Chartered). Three of its five outlets have broken even.

Business statistics

- Get My Meal is focusing on three types of models: (1) corporate kiosks, (2) 300sf retail stores, (3) 50sf retail kiosks. The idea is to run a hub and spoke model. For every retail store, there will be 10 small retail kiosks. Retail stores are meant to garner good brand visibility and make home deliveries in specific locations, while retail kiosks are low-frill stores in high footfall areas like railway stations.
- The unique element in the sandwich business is that it does not require any gas connection; hence, the set-up is pretty simple. It takes under a minute to make a sandwich and is a pretty easy process. Taste scores over health in the Indian QSR business.
- Get My Meal currently runs its own kitchens, but is looking to outsource some operations, as the business gains scale. Its outlets are stocked on a daily basis through the centralized kitchen by 10am. It uses differentiated bread that lasts longer and does not get soggy for 45 minutes after the sandwich is made.

Corporate kiosk parameters

Capex / Store	INR300k (capex is portable)
Opex / Month	INR30k (two employees, zero rentals)
Gross Margin	50%
Breakeven Point - Monthly Sales	INR60k
Breakeven Point - Daily Sales	INR2,750 (Sandwiches for BEP: 40)
Expansion plan	From current size of 2 stores to 88 stores over next 3 years

Retail store parameters

Capex / Store	INR2.2m (Capex is portable to the extent of 70%)
Opex / Month	INR250k (8 employees, rentals, two-wheelers for delivery)
Gross Margin	50%
Breakeven Point - Monthly Sales	INR500k
Breakeven Point - Daily Sales	INR16,700 (Sandwiches for BEP: 240)
Expansion plan	From current size of 3 stores to 27 stores over next 3 years

Retail kiosk parameters

Capex / Store	INR400k (Capex is portable)
Opex / Month	INR45k (two employees, rentals, no delivery)
Gross Margin	50%
Breakeven Point - Monthly Sales	INR90k
Breakeven Point - Daily Sales	INR3k (Sandwiches for BEP: 42)
Expansion plan	From current size of 0 stores to 264 stores over next 3 years

- Total capex required over the next three years is INR180m.

Key strategic initiatives

- Get My Meal initially focused on capital intensive retail stores, but quickly realized the potential of low-frill stores (typically 50sf in high footfall areas) and is now focusing more on retail kiosks.
- The corporate kiosk model is lucrative, as corporates do not charge rent. Hence, the breakeven point reduces and there is a captive clientele of employees.

Key concerns

- Limited operating history



Founded in 2009
Senior Management:
Anisha Singh
(Co-Founder & CEO)
Arjun Basu
(Co-Founder & CFO)
Ashish Bhatnagar
(Co-Founder & CTO)
Headquarters:
New Delhi
Services:
Online Coupon Provider

MyDala

- MyDala is the largest coupon provider in India. It has partnered with over 100,000 merchants across 152 cities. MyDala's offers reach 200m unique users monthly, through the internet, mobile devices and TV.
- MyDala features unbelievable deals on a wide range of activities - from things to do, see, eat, and buy in a city. It provides small businesses and national/international brands with a comprehensive marketing platform, allowing them to reach their target audience through attractive deals, innovative branding, visibility and promotional campaigns.
- MyDala has empowered major telecom providers like Vodafone, Idea and Tata DOCOMO by offering couponing and loyalty services on their network. These coupons are based on user's dynamic usage pattern, location, mobile credit/bill and buying preferences. MyDala's backend analytics enable the Telcos to understand their users better.

Arjun Basu

An Engineer and MBA, Mr Basu is responsible for shaping the strategy and direction of MyDala, as well as for overseeing financial operations and investor relations. Prior to starting MyDala.com, Mr Basu was a Director at Capital Fusion Partners, where he focused on promoting new businesses and raising capital. He has also worked with Capital One Bank, where he managed a multi-billion multi-strategy investment portfolio. In 1999-2000, he co-founded and raised venture capital funding for a South Asia centric financial services business.

Key takeaways

Inception and evolution

- MyDala started its business four years ago. Currently, it has 110,000 merchants and targets over 1m merchants. As at December 2013, it had 27m visitors and 38m reviews.
- MyDala has recently turned profitable on EBITDA. It executes 1.7m transactions a year and reaches over 500m users.

Business statistics

- Offers and customer acquisition are MyDala's USPs.
- It has very smartly tied up with all telecom service providers (TSPs) to offer their customers value added services in the form of offers. Vodafone Delights is a white label platform, which MyDala runs for Vodafone; it was among the firsts in the industry.
- MyDala earns revenues from two sources: (1) Tie-ups with TSPs (20% of revenues) - sharing of commissions in the ratio of 60:40 in favor of TSPs, and (2) Through its own website and mobile app (80% of revenues), where users purchase coupons and MyDala makes revenues.

Key statistics

- Cost of customer acquisition is INR6 for MyDala as compared with INR300-800 for e-commerce players.
- Groupon runs 400 deals per month while MyDala runs around 30,000 deals a month across 200 cities.

- Around 80% of traffic is organic and the balance 20% is from telcos.
 - Visitors to MyDala network: 27m per month, growing at 10% MoM
 - Visitors to MyDala: 5m per month, growing at 15% MoM
 - Transactions on MyDala network: 1.7m per month
 - Transactions on MyDala: 0.8m per month; 30% on mobile
 - Revenue per visitor on MyDala: INR6.8
 - Average revenue per live merchant: INR2,900 per month
 - 150k online/offline merchant coupons downloaded/sold everyday
 - Plans to start innovative products like live offers valid for 1 or 2 hours, etc
 - Has methodology to increase traffic on its portal through telcos; example, www.airtel.mydalla.com
- MyDala's biggest asset is the huge database it possesses through its tie-ups with TSPs - MyDala has all the data about a user's dynamic usage pattern, location, mobile credit/bill and buying preferences. MyDala can mine this data to provide personalized offers to each customer.
 - Till a year ago, MyDala used to compete with Snapdeal by being positioned as an e-commerce player. But it is now a pure coupons company, and is gaining business players like Flipkart and Snapdeal.
 - MyDala is instrumental in driving traffic to a number of e-commerce players and electronics brands like Samsung.
 - Revenue for FY14 is estimated at INR40m. MyDala expects revenue to multiply 3x every year for the next three years, reaching INR1b in FY17.

Key strategic initiatives

- MyDala is in a unique position due to its access to the data of all the mobile users in India.

Key concerns

- High dependency on TSPs poses a risk to business model.



Founded in 2009
Senior Management:
Pradeep C Mehta
(Chairman)
Ketan C Doshi (MD)
Headquarters:
Kandivili, Mumbai
Services:
Payment Collection

Pay Point India

- Pay Point India was started in 2009, with a vision to facilitate and simplify methodologies of making and processing payments anywhere and everywhere.
- Pay Point India is a payment collection hub that facilitates collection of bills of various utility services providers, issue of movie, transport, airline and railway tickets and recharge of prepaid mobile phones.
- It accepts payments in all modes - cash, cheque, credit cards. It provides easy access to top-up facility in all possible modes and anywhere across the country. It operates on a 24x7x365 module.
- Pay Point operates on the vendor chain cycle. Vendors include shopkeepers, chemists and petrol pumps in the neighborhood. Vendors issue a receipt immediately over the counter for the payments made to them. The payment details are sent online to the service providing companies.

Ketan C Doshi

Mr Doshi has a Diploma in Investment and a Masters in Financial Services Management. He has been incubating several businesses from an early age. Under his leadership, Pay Point is one of the industry leaders, with highly accomplished operator sign-ups, technology and service levels.

Key takeaways

Inception and evolution

- Launched in 2009, Pay Point helps to facilitate and simplify payment options for consumers.
- The promoter defines his business as Fast Moving Consumer Services (FMCS).

Business statistics

- Business potential is huge. Indian Railways sells 3.5b tickets annually. Every household has at least three utilities bills to pay every month. In banking, there are numerous transfer requirements for migrants, generating a large transactional volume.
- Pay Point has a network of 6k distributors pan India, who execute transactions for end customers. Transaction processing in case of utility bills is pretty quick - 30 seconds, since just the bar code needs to be scanned.
- Revenue stream for the business is two-fold - one from service providers and one as commission on sales of high margin products like air tickets.
- Retailers need to put money upfront for any transaction. Hence, there is no risk of credit loss.
- Money remittance has evolved to be a big business for the company, largely through labor/migrants living in cities, who have to remit wages back home.
- 50% of revenues come from financial products, 30% from utilities and 20% from mobile recharge.

Key strategic initiatives

- In a small district like Jawahar in Maharashtra, migrants were required to open accounts with State Bank of India (SBI) instantly to claim NREGA benefits. SBI itself couldn't open these accounts due to capacity constraints; Pay Point opened 30k accounts in 45 days, displaying the power of its reach.

Key concerns

- Deeper online penetration could impact Pay Point's business model, which is geared to gain from low awareness/sophistication of people to transact online.



Founded in 1996
Senior Management:
Anupam Mittal (Founder & CEO)
Headquarters:
Worli, Mumbai
Services:
Consumer Internet & Mobile VAS

People Group

- People Group is made up of three companies - People Interactive, People Infocom and People Pictures. People Interactive is the Consumer Internet arm of the Group and owns the extremely successful matrimonial portal, Shaadi.com, along with real estate site, Makaan.com, and friendship and social networking service, Fropper.com. People Infocom is a Managed Services Provider to Telecom Operators, Media-Entertainment Companies and Consumer Brands. It extends its services in managing these applications and facilitating content on them through its popular brand, Mauj Mobile. People Pictures is in Media Production and was founded to explore the market for new-age Indian cinema. Flavors, an NRI cult hit released in 2005, and 99, released in 2009, are the biggest hits of those summers.
- People Group has won the Deloitte Fast 50 India Award for three consecutive years as well as the DeloitteFast 500 Asia Award. It is a recipient of the prestigious Red Herring 100 Asia Award and the Emerging India Award held by CNBC.
- Shaadi.com, the world's largest matrimonial service, has also been recognized as the "Most Innovative Company in India of 2011" by Fast Company, USA, one of the world's leading progressive business media brands.

Badri Sanjeevi (Group CFO)

Mr Sanjeevi joined People Group in 2008. He has 17 years of rich experience across varied fields. Prior to joining People Group, he was part of the Corporate Strategy Advisory Group and in-charge of Strategic Business Planning and M&A related projects. An MBA from INSEAD-Wharton, France, he has supported the Global Executive Team across Deloitte worldwide and has assisted in developing strategy and facilitated strategy workshops for the organization globally. He is also a qualified Chartered Accountant and Cost Accountant.

Key takeaways

Inception and evolution

- Being an NRI, promoter Mr Anupam Mittal first launched Shaadi.com in the NRI market in 1996. Later, Shaadi.com was expanded to cater to the pan-India market.
- Makaan.com is the real estate search arm, which was launched after Shaadi.com.
- Other businesses include Mauj Mobile, largely focused on mobile app aggregation.

Business Statistics

- Four verticals - Real Estate, Dating, Automobiles and Jobs are the largest online search verticals, globally. People Group has a presence in Real Estate through Makaan.com and Matrimonials through Shaadi.com.
- Shaadi.com is strong pan India, excluding the South market, where Matrimony.com is dominant. Shaadi.com achieves 10k profile registrations a day. Only paid users can access contact details of the profile they like; free users cannot. Average realization per paid user is INR5k for a usage period of three months. To supplement online services, the company has 100 offline centers, which help in assisted search, especially for parents looking to get their children married.

- India has ~70m individuals in the marriageable age group of 20-35. The size of the overall matrimonial market in India is INR50b, while the size of the online matrimonial market in India is INR5b.
- People Group's real estate portal, Maakan.com is more focused on the C2C market, where broker involvement is less.

Key strategic initiatives

- Mobile searches are witnessing explosive growth; People Group expects >50% contribution from mobile post July 2014.
- People Group is focusing on providing a clutter-free experience to users (no/low advertisements). It has been consistently striving to match users' unique requirements.

Key concerns

- Some subscribers may resort to social networking sites like Facebook to get contact details of a search they have undertaken on Shaadi.com to avoid paying subscription fees.
- Some marriage agents may utilize the website data for their business; however, this is closely monitored and such agents are partially blocked.
- Makaan.com competes against formidable players like 99acres.com, the leader in the online real estate search market, with a 'Feet on Street' model, focusing on real estate agents.

NOTES

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