

Two IITians created the history!

The Bansals have come a long way since then. Flipkart, which raised \$1 billion from a group of investors including Tiger Global, Naspers and Singapore's GIC, is the largest online retailer in the country.

Lets know about this company in detail today....

- **Latest News about Flipkart**
- **What next for Flipkart's Bansals? A \$100-billion entity**

What could be the next goal for two entrepreneurs who have just raised \$1 billion in a single round of funding? Sachin Bansal and BinnyBSE -4.96 % Bansal, who have done just that, have set their sights on making their company a \$100-billion entity by valuation in the next few years from \$7 billion now.

- **Their Wish:**

"We wish to be the first \$100 billion internet company from India. Globally there are only five; three from US and two from China. This funding gears us up to achieve that," said Sachin Bansal, 32, cofounder and chief executive of seven-year-old Flipkart.

- **Who are they?**

For the Bansals, who are not related but were classmates at IIT-Delhi, the journey has been both difficult and fulfilling. When they started out in 2007 as an online retailer of books, the duo marketed their site by personally distributing branded bookmarks outside Bangalore's iconic Gangarams Book Bureau. The duo had pooled in Rs 2 lakh each and with two computers launched the site from their two-bedroom apartment in Koramangala, a

primarily residential locality in Bangalore where the company now has multiple offices.

- **What they did?**

The Bansals have come a long way since then. Flipkart, which raised \$1 billion from a group of investors including Tiger Global, Naspers and Singapore's GIC, is the largest online retailer in the country. It reached \$1 billion in sales last fiscal and, according to sources, is on track to breach the \$3 billion mark this fiscal. And Flipkart now has a marketing budget that is in the millions of dollars.

- **What was the exact strategy?**

The ability shown by the two Bansals to scale up is what has made them a darling of the investors. When Flipkart hit the billion-dollar-sales milestone in February, its first investor Accel Partners, who invested \$1 million in 2009, had called it a validation of its early bet. Subrata Mitra, partner at Accel Partners, said at the time that Sachin and Binny stand out with their ability to set audacious goals and take big risks. "They have proven to be capable to decide between "build vs buy" ...and have the utmost ability to attract large investors to the table," said Mitra.

- **Are they changed by success?**

The success has not changed them much. The duo, who live close to their workplace, walk to work, eat lunch with employees whenever possible and fly and stay budget while travelling. The founders have also turned angel investors backing young startups like product discovery portal Roposo and mobile news app News in Shorts.

The Bansals' success will inspire other entrepreneurs, said Arvind Singhal, chairman of retail advisory Technopak. "The billion-dollar funding will inspire entrepreneurs to get into ecommerce and investors too will have the confidence to back them," said Singhal.

The focus now shifts to mobile and logistics for the Bansals. "Mobile will bypass broadband in India," said Sachin, who was wearing an Android-powered watch at the event where the fund-raising was announced

- **What is the history of FLIPKART??**

Flipkart is an e-commerce company founded in 2007, by Sachin and Binny Bansal. It is registered in Singapore,¹ and owned by a Singapore-based holding company. It operates in India, where it is headquartered in Bangalore, Karnataka. According to Alexa Internet, Flipkart's website is one of the 10 most visited websites in India. Flipkart has launched its own product range under the name "DigiFlip", offering camera bags, pen-drives, headphones, computer accessories, etc

- **Why is it not an Indian Company even though owned by Indians?**

Legally, Flipkart is not an Indian company since it is registered in Singapore and majority of its shareholders are foreigners. Because foreign companies are not allowed to do multi-brand e-retailing in India, Flipkart sells goods in India through a company called WS Retail. Other third-party sellers or companies can also sell goods through the Flipkart platform.

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They had been working for Amazon.com previously. The business was formally incorporated as a company in October 2008 as Flipkart Online Services Pvt. Ltd. During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books. The first product sold by them was the book *Leaving Microsoft To Change The World*, bought by VVK Chandra from Andhra Pradesh. Flipkart now employs more than 9000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.^[16]

- **Acquisitions**

- 2010: WeRead, a social book discovery tool.
- 2011: Mime360, a digital content platform company.
- 2011: Chakpak.com, a Bollywood news site that offers updates, news, photos and videos. Flipkart acquired the rights to Chakpak's digital catalogue which includes 40,000 filmographies, 10,000 movies and close to 50,000 ratings. Flipkart has categorically said that it will not be involved with the original site and will not use the brand name.
- 2012: Letsbuy.com, an Indian e-retailer in electronics. Flipkart has bought the company for an estimated US\$25 million. Letsbuy.com was closed down and all traffic to Letsbuy have been diverted to Flipkart.
- 2014: Acquired Myntra.com in an estimated INR 2,000 crore deal.

- **Finance**

Initially, the founders had spent ₹400,000 to set up the business. Flipkart has later raised funding from venture capital funds Accel India (US\$1 million in 2009) and Tiger Global (US\$10 million in 2010 and US\$20 million in June 2011).^{[29][30][31]} On 24 August 2012, Flipkart announced the completion of its 4th round of \$150 million funding from MIH (part of Naspers Group) and ICONIQ Capital. The company announced, on 10 July 2013, that it has raised an additional \$200 million from existing investors including Tiger Global, Naspers, Accel Partners and Iconiq Capital.

Flipkart's reported sales were ₹40 million in FY 2008–2009,^{[34][35]} ₹200 million in FY 2009–2010 and ₹750 million for FY 2010–2011.^[37] In FY 2011–2012, Flipkart is set to cross the ₹5 billion (US\$100 million) mark as Internet usage in the country increases and people get accustomed to making purchases online. Flipkart projects its sales to reach ₹10 billion by year 2014. On average, Flipkart sells nearly 20 products per minute and is aiming at generating a revenue of ₹50 billion (US\$0.81 billion) by 2015.^[40]

On November 2012, Flipkart became one of the companies being probed for alleged violations of FDI regulations of the Foreign Exchange Management Act, 1999

In July 2013, Flipkart raised USD 160 million from private equity investors.

In October 2013, it was reported that Flipkart had raised an additional \$160 million from new investors Dragoneer Investment Group, Morgan Stanley Wealth Management, Sofina SA and Vulcan Inc. with participation from existing investor Tiger Global

On 26 May 2014, Flipkart announced that it has raised \$210 million from Yuri Milner's DST Global and its existing investors Tiger Global, Naspers and Iconiq Capital.

In early July 2014, it was also highly speculated that Flipkart was in negotiations to raise at least \$500 million, for a likely listing in the US for 2016

On 29 July 2014, Flipkart announced that it raised \$1 billion from Tiger Global Management LLC, Accel Partners, and Morgan Stanley Investment Management and a new investor Singapore sovereign-wealth fund GIC.

- **Flyte Digital Music Store**

In October and November 2011, Flipkart acquired the websites Mime360.com and Chakpak.com. Later, in February 2012, the company revealed its new Flyte Digital Music Store Flyte, a legal music download service in the vein of iTunes and Amazon.com, offered DRM-free MP3 downloads. But it was shut down on 17 June 2013 as paid song downloads did not get popular in India due to the advent of free music streaming sites.

- **Exclusive Product Launches**

Motorola Mobility, previously owned by Google but then sold to Lenovo, in an exclusive tie up with Flipkart launched its budget smartphone Moto G in India on 5 February 2014. This triggered an overwhelming response from online shoppers and more than 20,000 units were sold within hours of launch on Flipkart. After the Moto G

successful debut launch, Flipkart was looking for a long term tie up with Motorola Mobility. The Moto G success story, led to an another exclusive tie up between Flipkart & Motorola Mobility, who launched their flagship Android smartphone, the Moto X on 19 March 2014. After Moto G and Moto X, Flipkart invited the Moto E, the newest member of Moto family which is even cheaper than Moto G on 13 May 2014. The sale of high-end smartphone Xiaomi Mi3 produced by Xiaomi Tech was launched in India on an exclusive tie-up with Flipkart. The first batch was sold out within 39 minutes on 22 July 2014, the second in 5 seconds¹ on 29 July 2014. The sale was proceeded on pre-registration mode where more than 150 000 buyers booked for the 5 August 2014 sale. This got sold off in less than 2 seconds. Following this Xiaomi Tech decided to sell 20,000 pieces in the next sale scheduled for 12 August 2014.

- **In-house Products**

- In July 2014 Flipkart launched its own set of tablet phones. The first among these series of tablet phones was DigiFlip Pro XT 712 Tablet.
- In July 2014 Flipkart launched it's first networking Router, under its own brand name named DigiFlip WR001 300 Mbit/s Wireless N Router.

- **Awards and recognition**

- Co-Founder of Flipkart Sachin Bansal, got Entrepreneur of the Year Award 2012-2013 from Economic Times, leading Indian Economic Daily
- Flipkart.com was awarded Young Turk of the Year at CNBC TV 18's 'India Business Leader Awards 2012' (IBLA).
- Flipkart.com- got Nominated for IndiaMART Leaders of Tomorrow Awards 2011.
- Flipkart.com, secured second position in the List of Cheapest Mobile Store 2013,

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