

Flipkart



Name of student – Dnyanraj Tukaram Gadhave

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Subject - EADR (Entrepreneurship Development)

Name of Faculty Coordinator –

Mis . Pooja Gavande Mam



Founders of Flipkart

- ▶ Founded - 2007 (16 years ago)
- ▶ Headquarter - Bengaluru .
- ▶ Founder - Sachin Bansal And Binny Bansal
- ▶ Services - Online Shopping .

Vision And Mission of Flipkart

► Vision –

The vision statement for Flipkart com is its strategic plan for the future – it defines what and where Flipkart com Company wants to be in the future. The vision statement for Flipkart com is a document identifying the goals of Flipkart com to facilitate its strategic, managerial, as well as general decision making processes

► Mission -

Provide their Customers a memorable online shopping experience

Management Structure

Startup Name	Flipkart
Headquarter	Bengaluru, India
Sector	E-Commerce – Online Shopping
Founders	Sachin Bansal, Binny Bansal
Founded	2007
CEO	Kalyan Krishnamurthy
Total Funding	\$12.6 bn (January 2022)
Revenue	\$5.83 bn (Rs 43,357 crore in FY21)
Valuation	\$37.6+ bn (January 2022)
Area Served	India
Net Worth	Flipkart Net Worth
Parent Organization	Walmart
Website	flipkart.com

Organizational Structure of Flipkart

- ▶ **There are top five shareholders of the Flipkart, the list is as follows:-**
 - Walmart – Holds 81.3% Stake
 - Tiger Global – Holds 4.77% Stake
 - Binny Bansal – Holds 4.2% Stake
 - Microsoft – 1.53%
 - Accel 1.38 per cent,
 - Iconiq Capital 0.98 per cent,
 - Temasek 0.29 per cent and
 - UBS 0.19 per cent

Financial Structure of Flipkart



Business Structure

- According to a report in November 2014, Flipkart operated with a complex business structure that included nine firms, some registered in Singapore and some in India. In 2012, Flipkart co-founders sold WS Retail to a consortium of investors led by Rajeev Kuchhal. Flipkart's Indian entities are owned by Flipkart Pvt. Ltd, which is registered in Singapore. The Singapore-registered entity owns eight Indian companies, including Flipkart Internet Pvt. Ltd, the company that runs the e-commerce marketplace Flipkart.com, Flipkart India Pvt. Ltd, the wholesale business, and Flipkart Logistics Pvt. Ltd, which runs E - Kart (the internal logistics arm that can be used by other ecommerce players). Flipkart also started Flipkart Health+ (through an app) in 2021 that deals into providing medicines and health services through technology. This was started with the help of getting majority share in Sastasundar Marketplace Limited - an existing company that already was providing online pharmacy services.

Name	Type	Since	Current Stock
Myntra	Fashion	2014	100%
E Kart	Logistic	2015	
Flipkart Wholesale	B2B Ecommerce	2020	100%
Cleartrip	Travel Booking	2021	80%
Sastasundar	Healthcare	2021	75.1%

Flipkart has made 22 acquisitions and 24 investments, spending over US\$395M for the acquisitions. Flipkart has invested in multiple sectors such as e-commerce, consumer electronics, local services and more. In 2022, it also revised its policies for sellers in an attempt to make it more seller-friendly. This included simplifying the rate card and reducing fee for return costs.

Impact of COVID - 19

- ▶ E-Commerce in India had grown by more than twice in 2020 compared to the 2015-19 average. As lockdowns became the new normal, businesses and consumers increasingly “went digital”, providing and purchasing more goods and services online, raising e-commerce’s share of global retail trade from 14% in 2019 to about 17% in 2020. At an event launching the new report, COVID-19 and E-Commerce: A Global Review, by UNCTAD and e Trade , UN General Assembly President Volkan Bozkir said the trend towards e-commerce is likely to continue throughout the recovery from COVID-19.

After COVID – 19 Effect on Flipkart

- ▶ Flipkart's losses widened to over Rs 7,800 crore in the financial year 2021-22 based on performance of its business-to-business unit Flipkart India and B2C e-commerce unit Flipkart Internet, according to regulatory filings. According to filings, the combined loss of both entities stood at Rs 5,352 crore in the financial year 2020-21.

How Flipkart Handled their Employ During COVID -19

- ▶ The Flipkart Group will cover 100% of the vaccination cost for all Flipkart and Myntra employees and three dependents. Employees can choose to be reimbursed for the costs of the vaccinations or get them free of charge at a partner hospital. Alternatively, they can choose to participate in any future vaccination drive organized on campus or facilities at major locations.
- ▶ Employees can avail of a day's leave to manage the vaccination process. Additionally, they can avail of COVID special care leave to manage any symptoms post-vaccination.
- ▶ Currently, the vaccine is one of the most effective tools in our arsenal to arrest the pandemic and its adverse consequences. However, opting for the vaccine is left completely to the discretion of employees while they are urged to consider the benefits, understand its effectiveness, and make the right decision for themselves and their families.

GOVT. Policies For Sector

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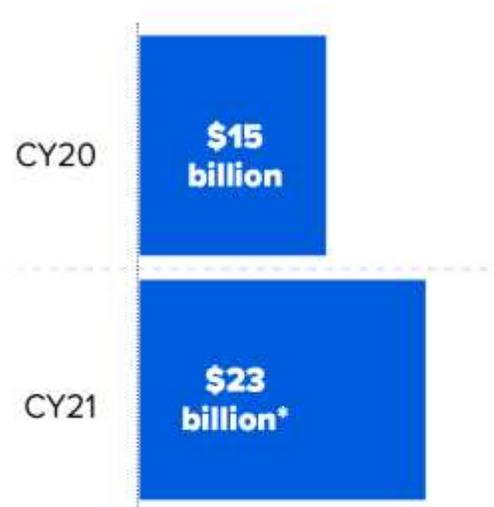
- ▶ The policy assumes significance in the context of the e-commerce industry report of the India Brand Equity Foundation (2022) (IBEF henceforth), which projects that with grocery and fashion/apparel as the key drivers, the Indian e-commerce industry would be valued at \$99 billion in 2024, eventually growing to \$300 ...17-Sept-2022
- ▶ To create a supportive regulatory business environment for the growth of e-commerce in India, the Ministry of Commerce and Industry released the draft National e-Commerce Policy (henceforth “the policy”) on 23 February 2019 (DPIIT 2019). The aim of the policy is to enhance consumer protection, data privacy and create a level playing field. It is expected to promote competition and protect the interests of all stakeholders—“investors, manufacturers, MSMEs, traders, retailers, startups, and consumers.” The policy aims for inclusive growth in the digital space and in the e-commerce sector along with Make in India and Digital India programmes. The government hopes to encourage competition and prevent market failures and other market distortions. The policy assumes significance in the context of the e-commerce industry report of the India Brand Equity Foundation (2022) (IBEF henceforth), which projects that with grocery and fashion/apparel as the key drivers, the Indian e-commerce industry would be valued at \$99 billion in 2024, eventually growing to \$300 billion by 2030.

Sales of Flipkart during COVID

ET tech

Total sales of Flipkart companies

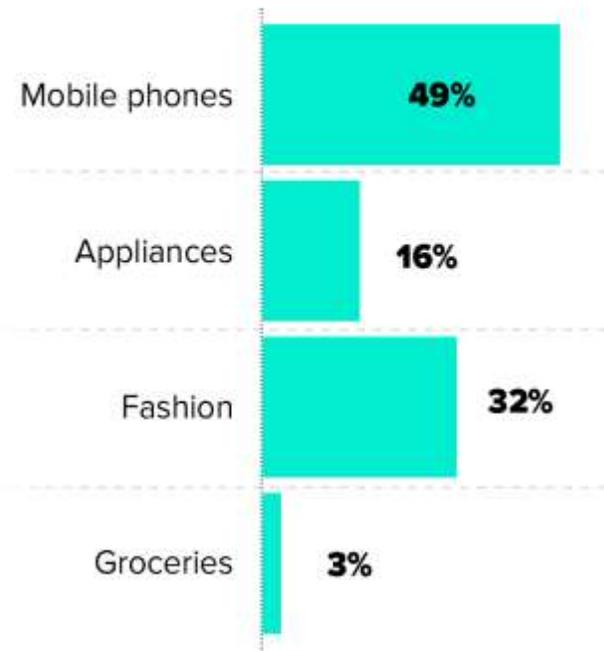
Gross merchandise value by year



*Annualised GMV run-rate

Note: GMV represents the total sales on a particular marketplace over a certain time frame without deducting returns. Annualised sales run rate is a projection of upcoming sales based on sales clocked in a previous month.

Contribution to Flipkart's GMV in FY21



Note: These are estimates.

Source: ET Research, Walmart, Bernstein

