Zodius leads $19 million funding round in Onsitego

Aceal India, an existing backer of Onsitego, has also participated in this latest funding round, with Aceal US too joining the company’s cap table.

NEW DELHI: Zodius Growth Fund has led a $19 million (Rs 130 crore) funding round in Mumbai-based Onsitego, which provides extended warranty and device protection services to consumers.

In its maiden deal from the new fund, Zodius has put in about $15 million in the startup. Aceal India, an existing backer of Onsitego, has also participated in this latest funding round, with Aceal US too joining the company’s cap table.

"Onsitego is leveraging technology in a very efficient manner, not only in terms of data for the underwriting of warranties, but also in other areas, while that is provided to consumers. That process is broken, not only in India, but also globally. Moreover, the business has been built in a highly capital-efficient manner," Shigma Kulkarni, managing director, Zodius Growth Fund, told ET.

Founded by five Bangalore alumni Aundh Murali in 2010, Onsitego had previously raised $2 million in financing. In 2015 the company will use the proceeds to primarily expand its extended warranty product, to annual maintenance contracts and reach out to consumers directly.

"In the extended warranties business, we are still a very small part of the customer’s lifecycle as far as ownership experience is concerned. With this capital, we intend to go into the entire lifecycle of the customer... The strategy for this is largely micro-market based," Onsitego chief executive Murali told ET.

Additionally, the decade-old company, which works with a number of India’s largest offline and online retailers, has created a home warranty product, covering multiple consumer durability.

The company will use part of the capital raised also towards branding and marketing efforts, as it targets direct acquisition of consumers.

Zodius’ Kulkarni said Onsitego’s Series B round could be extended to accommodate other new investors.

This is the final investment by Zodius from its latest $200 million India Growth fund, for which it is still raising capital. Acquired by homeseen financial services company Avenue in 2017, Zodius has been positioned as a mid-market, new-economy, digital-focused investment fund, typically deploying $15-25 million in deals.

The fund primarily focuses on next-generation consumption-focused companies, underpinned by technology, that target the next 100 million users, across sectors such as retail, healthcare, education, logistics, software, services and financial services.

It had previously raised Zodius Technology Fund and Zodius Technology Opportunities Fund, which had a cumulative corpus of $140 million and invested in online furniture retailer Pepperfry, online grocery major BigBasket and FreshMenu, among others. It has also recorded several exits from start-ups.

Read more on – Onsitego, Zodius Growth Fund, Shigma Kulkarni, Aundh Murali

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