Zodius Growth Fund leads $19 million funding in Mumbai-based Onsitego

In its maiden deal from the new fund, Zodius has put in about $15 million in the startup.

Zodius Growth Fund has led a $19 million (about Rs 136 crore) funding round in Mumbai-based Onsitego, which provides extended warranty and device protection services to consumers.

It is the maiden deal from the new fund, Zodius has put in about $15 million in the startup.

As an investor, Zodius is a new fund. As an existing investor of Onsitego, Zodius has also participated in this latest funding round, with Accel India 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 their after-sales service that is provided to consumers. That process is broken, not only in India, but also globally. Moreover, the backing has been built on a high capital-efficient model," Shilpa Kulkarni, managing director, Zodius Growth Fund, told ET.

Founded by Hitesh Bangare and Anupam Malhotra in 2013, Onsitego had previously raised $2 million in funding in 2015. The company will now use the proceeds to primarily expand its extended warranty product, to ensure 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," said chief executive Malhotra.

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 durable products.

The company will use part of the capital raised also towards brand building 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 first investment by Zodius from its latest $200 million India Growth Fund, for which it is still raising capital. Acquired by honeymoon financial services company Avenue in 2017, Zodius has been positioned as a mid-market, new-economy, digital-focused investment fund, typically deploying $50-250 million in deals.

The fund is being accessed across new consumer-focused companies, understood 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 a $2 million series A round in 2015. In 2017, it had raised a $200 million India Growth Fund from Avenue, which is in the process of raising a second India Growth Fund.

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