



SEPAL

Minimum Amount per investor:

₹5,00,000

HEM ANGELS



Company Overview

SEPAL is a Hyderabad-based Automotive Accessories company incorporated in the year 2020 by Vidhey Addepally an IIT Bombay alumni and Sriram Kashyap an Architect with 8 years of experience in Design Industry. Sepal has introduced revolutionary water-repellent canopy for a two-wheeler with an integrated heads-up display (HUD) designed by a group of IIT engineers to give riders complete control over their journey and promises comfort like a car. Sepal is providing collapsible roof integrated IOT device with a mobile app for riders with all comforts that can be quickly attached to any motorcycle that allows users to navigate, answer calls, stream music, and provide the riders with complete protection from Sun, rain dust and even cold, entirely on-demand.

Sepal's origin from a silly project that the founders took up during their final years of college. Being bike riders themselves, the idea was to create a product that could conveniently protect in all weathers fascinated them. As they worked on it, they realized in India one of every three adults, owns a 2-Wheeler and India's economy runs on 2-wheelers. There are about 200 million two-wheelers on the roads which makes it a USD 100 Billion market size within India. These two-wheeler owners suffer the most during the summers, rains, and pollution also they are not safe while riding the motorcycles. There were too many constraints on strength, size, temporary fitment, and the need for on-demand protection. For over 3yrs, they had persistently designed, built, tested, and failed numerous times. Finally, with all their learning's they have developed Sepal which is the embodiment needs & desires of millions of bike riders.

Sepal has a rugged Canopy that can be installed on any motorcycle and is super convenient it is made from a high-grade Fiber that can withstand any sort of roads and rides that your bike can. Also, comes with a range of customization options to choose from and DIY installation which can be installed in 5 min without tools, super durable product which is tested on 140kmph & in all kinds of terrains. Other products provided by Sepal are Thigh Flaps, IoT Module which is the best-in-class infotainment platform that offers a hassle-free riding experience with features like trip analytics, voice commands, Accident alerts, etc.

Sepal is a fairly sophisticated product because of all the structural and usability constraints involved i.e. designed to enhance safety in case of an accident, the frame is designed such that in case of a collision, the head of the rider along with the helmet passes through the gap between the frame-supports. And the body is brought to rest of the shoulders which is a structural element and can take the heavy impacts. This way, bypassing the impact away from the head, neck, and spinal cord and directing it to the shoulders, surety to save thousands of lives. This has thoroughly validated the product also during numerous simulations and physical tests.

Sepal plans to reach maximum customers with influencer marketing, moto vlogging, Partnering with Amazon, Flipkart, or other logistics partners, plan to further penetrate the market by also partnering with leading 2 wheeler accessory distributors, and intend to set up offline experiences centers in highly populated regions which will allow them to reach revenue from INR 75 lakhs in FY22 from selling monthly 400 units to INR 624 CR in FY27 from selling monthly 80,000units.

Traction & Impact –

Incorporated in 2020 | Headquartered in Hyderabad | Founders Contribution: INR 40 Lakhs



Monthly Recurring Revenue –
INR 22 Lakhs



ARR: INR 2.16 CR



Monthly Cash Burn:
INR 6-8 Lakhs



Units sold per month –
400+ units

- Patents and IP developed in partnership with IITB
- MOU for 2500 units with Paradox Inc (Owns Harley-Davidson and Husqvarna dealerships in Qatar)
- Infotainment features-Partnered with Spotify Music, Inshorts news and Reddit
- International Customers from UK, USA, Phippines

Market Potential in Indian Market:

TAM:-
2-Wheelers in
India- 200 Mn

SAM:- 70% of
Motorcycles -
90 Mn

SOM:- Reach
limited to 55%
of SAM- 50 Mn

Business Model

B2B

B2C Marketplace:

Revenue from Product Sale

- Selling the product online for INR 7,500
- COGS INR 4,000
- Gross Profit INR 3,500

Accessories

- Customization INR 2,000
- Thigh Flaps INR 1,000
- WindShield INR 2,000

B2B Marketplace:

- Revenue from IOT Sources
- Display Ads on the HUD: INR150 CPM
- Rider Profile data to insurance firms: USD 75 - 150 / data-set
- Bike performance data to re-sellers: USD 150/ data-set
- Sells travel data to location-based analytics firms like Local.AI
- Sells road health condition data to infrastructure firms like L&T

Founding Team

Vidhey Addepally | CEO

Vidhey is graduated from IIT Bombay, Civil B.Tech. He is also a Serial Innovator who has designed and built an innovative and patentable digital loading machine that revolutionized the testing procedure of participant's models. Vidhey was a determined research assistant at IIT B where he worked on the performance level when subjected to different earthquake magnitudes. Evaluated the safety margin that IS guidelines imparted to the structure to sustain earthquakes. Studied the plastic hinge formation pattern and the failure mechanism of the building. Also, a Deferred from Stanford.

Sriram Kashyap Addepally | COO

Sriram has completed his B.Arch Architecture from Savitribai Phule Pune University. He has been to Leed Beckett University for Parametric Design & Digital Fabrication. Has over 8 years of experience in the Design Industry. Sriram is the best in his field it is only because of his designing skills, that an ambitious product like Sepal has been made.

Why to Invest

1 Massive USD 100 bn untapped market of safety accessories: The riding gear market studied was valued at USD 10.65 billion in 2020, and it is projected to be worth USD 15.84 billion by 2026, registering a CAGR of 6.84% during the forecast period. The increase in the sales of motorcycles, especially in Asia-Pacific, and the end users' preference and awareness toward enhanced safety and comfort offered by premium IOT devices are some of the factors driving the growth of the market due to there are 40,000 deaths and 1,50,000 injuries every year related to motorcycle accidents in India and globally there are 1,50,000 deaths due to such injuries.

2 Robust Technology and service for procuring market: Sepal offers hassle-free IOT-based devices which provide complete protection and ultimate comfort like a car. Sepal critically solves the problem of bike riders by not only providing weather protection from sun, rain, and pollution but also ensuring the safety of a rider with help of a Canopy, windshield, fitment base, and straps. Sepal is made from Aerospace grade aluminum (6068 Grade) & 3-layered fiber-reinforced polymer. These are the same materials used in manufacturing airplane wings which are designed for 1000Km/h speeds and help in wind resistance and ensure stability in bikes during high speed. They are also providing additional features podcasts, audiobooks, give bike usage reports as fun-facts, and navigation systems through the mobile app.

3 Competitive edge due to strong defendable IP and barrier of new entrants: Sepal has built a strong IP value of Base Fixing Mechanism, wind-shield cascading mechanism, telescopic pipes auto-lock release mechanism from IIT -Bombay which has undergone 6 iterations of design & testing from past 2.5 years. Strong entry barrier due to huge amounts of community effects, partnerships & data-optimization role involved in the IOT platform where any competitor needs to spend 1-1.5 years to create a fairly sophisticated model and spend a huge amount of money, time, resources to prototype, test, iterate, set up the production and finally launch the product.

4 Highly Scalable business model supported by strong Founders: Sepal is a highly scalable model which plans to grow from MRR of 4 Lacs from selling 50-70 units a month to targeting sales volume of 80000 units per month generating revenue of INR 52 CR FY27, gross margin of INR 13 CR. Shipped to international customers in UK, USA, Philippines, and Qatar for Rs 25,000 / unit. Also have numerous interests from countries like Nigeria, Turkey. Sepal is backed by strong founders who have strong skills in engineering & design and backed by marquee Investors Like SucSeed, Mumbai Angels, Ah ventures, and Deric Karunesudas and have signed an MOU with Harley Davidson Dealer group in Qatar for distribution of SEPAL in the entire GCC.

Historical Financials (INR CR)

Particulars	FY22
Total Revenue	0.33
Advanced Received	0.12
Total Cost of Goods Sold	0.08
Total Expenses	0.17
EBITDA	0.26

Financial Projections (INR CR)

Particular	FY23	FY24	FY25	FY26	FY27
Unit Sold ('000)	13	60	240	480	960
Revenue	10.35	45.00	156.00	312.00	624.00
Gross Profit	2.97	12.90	40.08	80.16	160.32
Total Expenses	4.06	7.82	17.09	43.18	65.27
Profit/Loss	-1.09	5.08	22.99	36.98	95.05

Fund Requirement

Fund Requirement	Commitment Received	Name of the Investors committed for this round	Pre Money-Valuation	Balance Funds Sought from Hem Angels
INR 2.25 CR	INR 1.5 CR	SucSEED Ventures, Ah! Ventures, MumbaiAngels, Deric Karunesudas	INR 22.5 CR	INR 0.75 CR
Usage of Funds: Infrastructure Expansion, Product Development, IOT Platform, Sales & Marketing				

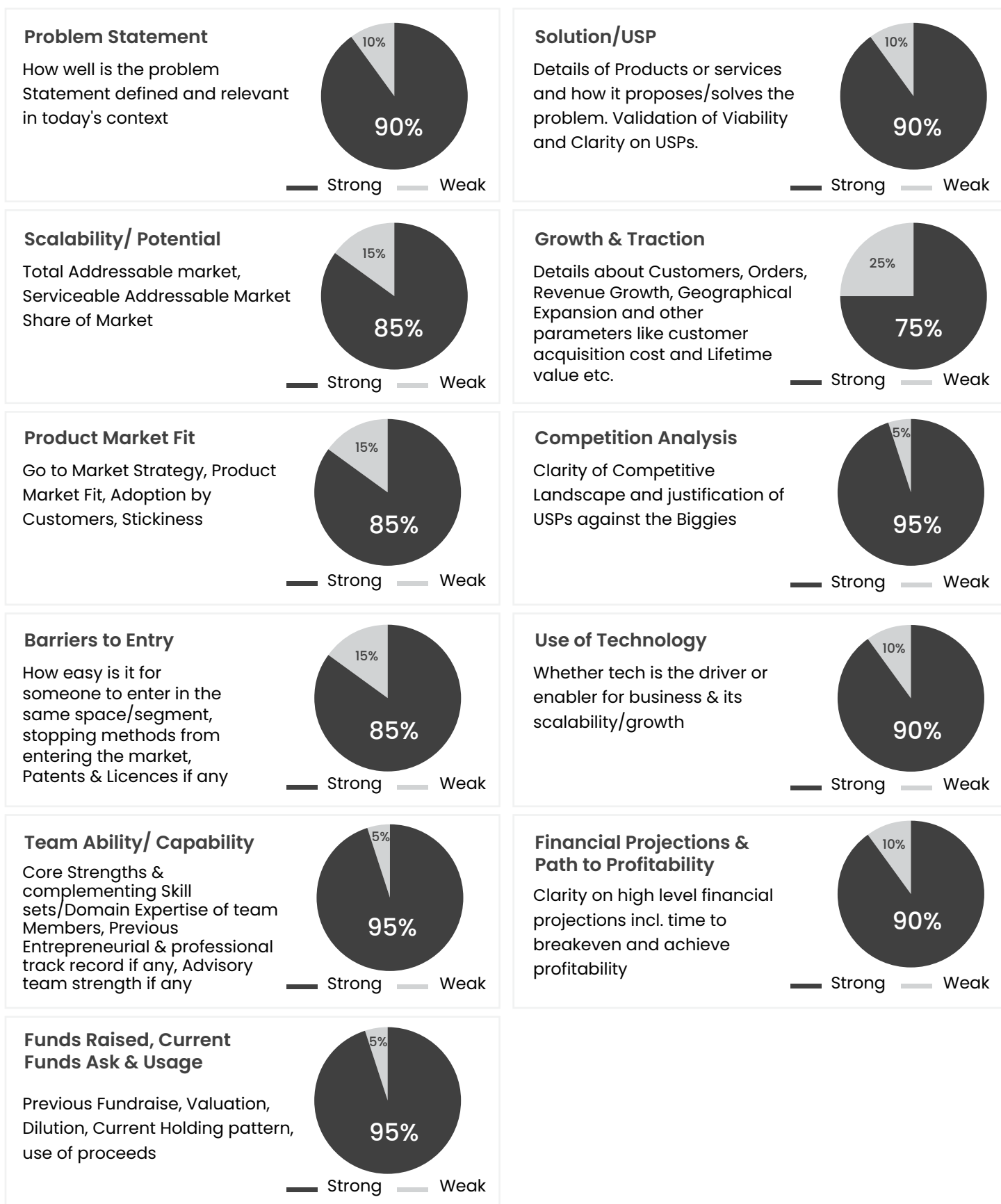
Previous Funding Round

Date	Amount	Investor(s)	Pre Money-Valuation
March 2021	INR 0.3 CR	SucSeed Ventures, Ah venture, Mumbai Angels	INR 3.5 CR

Cap Table

Cap Table	% Holdings
Mr. Vidhey Addepally	42.37%
Mr. Kashyap Addepally	28.42%
ESOP POOL	8.46%
SuSEED Investors	6.32%
Mumbai Angel	3.72%
Ah! Ventures	2.43%
Others	8.46%

Internal Assessment



Disclaimer: Investment in startup involve high degree of risk. Though we provide you with our own internal assessment & diligence, we cannot give you all the information necessary to make investment judgment. The views in the documents represent personal views of the respective Hem Angels lead, co leads and experts based on the past financial performance, future projections and estimate shared by startup. Each investing member should apply their own reasonable judgment based on their risk appetite and individual understanding of the concerned business before taking the investment decision.

