

# Myntra acquires content aggregation start-up Cubeit

By SAYAN CHAKRABORTY

[sayan.c@livemint.com](mailto:sayan.c@livemint.com)

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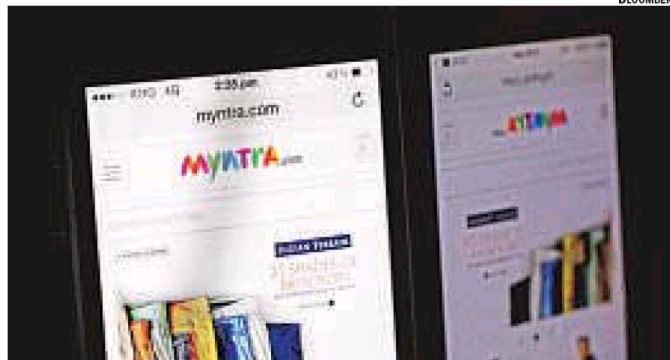
Online fashion store Myntra Designs Pvt. Ltd has acquired the Bengaluru-based Cubeit, a start-up that facilitates content aggregation on mobile devices, to gain access to its employees, the company said in a statement on Monday.

The purchase is an example of so-called acqui-hiring, in which the buyer may or may not have any interest in the target company's products and services, and is interested mainly in tapping the latter's workforce.

Financial details of the acquisition weren't disclosed.

Myntra, which was acquired by Flipkart Ltd for about \$330 million in March 2014, has bought two technology start-ups previously. In May 2015, Myntra acquired Native5, a Bengaluru-based app development firm.

In April 2013, the company acquired Fitiquette, a San Francisco-based start-up that pro-



**Strategic buy:** Cubeit executives will join Myntra's technology team.

vided virtual fitting room solutions.

Cubeit, which was founded by Sarthak Jain, Nithinkumar Gadiparthi and Prathamesh Juvatkar in 2014, allows users to aggregate, organize and share content. The company has raised about \$3 million from Accel Partners and Helion Venture Partners.

"Technology is at the core of our operations and we are looking at leveraging it to further enhance customer experience through social and community

interactions on our platforms. We have always been on the lookout for quality talent and the Cubeit team brings with it the expertise and experience to help strengthen our offerings," said Shamik Sharma, chief product and technology officer at Myntra, in a statement.

Cubeit executives will join Myntra's technology team.

Myntra is targeting gross merchandise value (GMV) of \$1 billion in the next fiscal year. GMV does not include discounts and

returns.

For the year ended 31 March 2015, Myntra's revenue grew 77% to ₹758 crore from ₹427.26 crore the previous year.

Losses, however, almost tripled to ₹1,126.60 crore in fiscal 2015 from ₹386.10 crore the previous year, according to documents filed with the Registrar of Companies.

Gross merchandise value in the year ended 31 March 2015, stood at ₹2,569 crore.

Online retailers such as Flipkart, Snapdeal (Jasper Infotech Pvt. Ltd) and Amazon.com Inc.'s Indian unit have been increasingly focusing on the high-margin fashion category.

According to industry experts, gross margins in fashion could be 25-50%, as against 3-10% in electronics.

Myntra had a few hiccups last year after it announced that it will become an app-only platform starting May. The move was criticized by analysts and consumers alike, who described it as anti-consumer and restrictive. The firm witnessed a temporary slump in sales in the following months.

The company, however, rolled back its decision to go app-only and relaunched its mobile website in February. The company relaunched its desktop website on 1 June.