International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

Analysis of determinates of scaling, growth and stability of startups in India

Awadhi Jain[1], Dr Rajendra Sharma[2]
[1]Research scholar of Department of Commerce, PMB Gujarati Commerce College, Indore
caawadhijain@gmail.com
[2]Professor of Department of Commerce, PMB Gujarati Commerce College, Indore

Abstract
This study examines the key determinants influencing the scaling, growth, and stability of Indian startups. The study focuses on five selected startups Meesho, CRED, PharmEasy, Groww, and Razorpay—using secondary data obtained from authentic company reports, investor-relations documents, and official sources. Three major factors, namely business-model scalability and diversification, strategic funding, and technology-driven innovation, are analyzed in relation to customer acquisition, operational efficiency, growth, and sustainable scaling. The findings indicate that startups combining scalable business models, effective utilization of funding, and continuous technological innovation demonstrate stronger potential for sustainable growth and market expansion. The study concludes that a balanced combination of financial resources, business-model adaptability, and technology capabilities is essential for achieving long-term startup success in India.

Keywords- Indian Startups, Startup Scaling, Business Model, Strategic Funding, Technology Innovation, Customer Acquisition, Operational Efficiency, Startup Growth, Sustainability, Startup Stability

I. INTRODUCTION

The startup ecosystem has emerged as an important component of economic development, innovation, employment generation, and technological advancement across the world. Startups are generally characterized by innovative products or services, technology-driven business models, high growth potential, and the ability to address emerging consumer and market needs. Unlike conventional businesses, startups often operate under conditions of high uncertainty and limited resources, while simultaneously seeking rapid expansion and market acceptance [1]. The ability of a startup to transform an innovative idea into a commercially viable and sustainable enterprise depends on several interconnected factors, including availability of finance, business model scalability, market conditions, technological capabilities, managerial competence, human resources, operational efficiency, and the regulatory environment [2].

India has witnessed a substantial transformation in its entrepreneurial landscape during the last decade [3]. The expansion of digital infrastructure, increasing internet and smartphone

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

penetration, growth of digital payments, changing consumer behaviour, availability of venture capital, and various government initiatives have contributed to the development of a vibrant startup ecosystem. Startups are now operating across diverse sectors such as financial technology, e-commerce, healthcare, education, logistics, mobility, agriculture, software, and consumer services. This development has positioned startups as significant contributors to India's emerging digital and innovation-driven economy [4].

However, the establishment of a startup does not necessarily guarantee long-term success. A major challenge for entrepreneurial ventures is moving beyond the initial stage of business establishment toward sustainable scaling, continuous growth, and organizational stability [5]. Many startups may achieve rapid customer acquisition or attract substantial investment but subsequently experience difficulties related to profitability, cash-flow management, operational complexity, competition, regulatory compliance, employee retention, and changing market conditions [6]. Therefore, examining startup performance only in terms of funding or valuation provides an incomplete understanding of entrepreneurial success. A comprehensive assessment should consider the factors that enable startups to expand their operations while maintaining financial, operational, and strategic stability.

Scaling of Startups

Scaling represents the ability of a startup to increase its operations, customer base, revenue, geographical presence, or market share without experiencing a proportionate increase in costs and organizational complexity. A scalable startup generally possesses a business model that can accommodate increasing demand through efficient use of technology, human resources, infrastructure, and financial resources. Digital platforms have particularly enhanced the scalability of Indian startups because they allow businesses to reach large customer segments without establishing a physical presence in every market [7].

Nevertheless, scaling introduces new challenges. As startups expand, they may require larger financial resources, stronger management systems, better technology infrastructure, skilled employees, improved supply chains, and more sophisticated risk-management mechanisms [8]. Consequently, the determinants of successful scaling may differ from the factors that enable a startup to survive during its initial stage.

Growth of Startups

Startup growth is another important dimension of entrepreneurial performance. Growth can be measured through indicators such as revenue expansion, customer acquisition, market penetration, employee growth, geographical expansion, product diversification, and improvement in market share. Funding can facilitate growth by providing resources for marketing, product development, technology investment, hiring, and market expansion.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

However, external funding alone does not ensure sustainable growth. The startup must possess a viable business model, strong customer value proposition, effective market strategy, efficient operations, and the ability to adapt to changing market conditions [9].

The distinction between growth and sustainable growth is therefore important. A startup may experience rapid growth in users or revenue while simultaneously accumulating significant losses or becoming highly dependent on external capital. Sustainable growth requires an appropriate balance between expansion and financial and operational discipline [10].

Stability of Startups

Stability refers to the ability of a startup to maintain its business operations and withstand financial, operational, competitive, technological, and regulatory challenges over time. Financial stability may be reflected through improved profitability, cash-flow management, manageable debt, and reduced dependence on continuous external funding. Operational stability involves efficient processes, reliable supply chains, effective human-resource management, and the capacity to maintain service quality as the organization expands [11].

Strategic stability is also important because startups operate in highly competitive and rapidly changing markets. The ability to modify products, adopt new technologies, respond to customer expectations, manage competition, and comply with regulatory requirements can determine whether a startup remains viable over the long term [12].

II. COMPARATIVE PERSPECTIVE OF SELECTED INDIAN STARTUPS

To understand these determinants more effectively, the present study focuses on five prominent Indian startups: **Meesho, CRED, PharmEasy, Groww, and Razorpay**. These organizations represent different sectors and business models, providing an opportunity for comparative analysis.

Meesho represents the e-commerce and social-commerce segment, while CRED operates primarily in the fintech and credit-rewards space. PharmEasy represents the health-tech and e-pharmacy sector, whereas Groww operates in digital investment and financial services. Razorpay represents the digital payments and financial technology ecosystem. The differences in their industries, customer segments, business models, regulatory exposure, and growth strategies provide a useful basis for examining whether the determinants of scaling, growth, and stability vary across sectors.

The comparative examination of these startups is particularly relevant because startup success cannot be explained by a single factor. A startup may possess strong financial backing but face operational difficulties; another may have a highly scalable technology platform but encounter regulatory challenges; while another may achieve substantial customer growth but struggle to convert that growth into sustainable financial performance. Therefore, a multidimensional

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

analysis is required to understand the interaction between different determinants and startup performance [13, 14].

III. PROBLEM IDENTIFICATION

Indian startups face significant challenges in achieving sustainable growth, scalability, and long-term stability due to intense competition, changing customer preferences, funding constraints, and rapid technological developments. Many startups struggle to convert initial funding and innovation into sustainable business performance. Therefore, there is a need to identify and analyze the key determinants—particularly business-model scalability, strategic funding, and technology-driven innovation—that influence customer acquisition, operational efficiency, growth, and stability of startups in India [15].

IV. NEED FOR THE PRESENT STUDY

Despite the rapid development of India's startup ecosystem, questions remain regarding the factors that enable startups to transition from rapid expansion to sustainable and stable enterprises. Existing discussions frequently emphasize funding, valuation, innovation, or customer growth as indicators of startup success. However, these indicators alone may not adequately explain long-term business sustainability. There is therefore a need to examine startup performance through a broader framework that simultaneously considers **scaling, growth, and stability.**

The present study attempts to address this requirement by analysing the major financial, strategic, technological, managerial, operational, market, and regulatory determinants influencing selected Indian startups. The comparative approach enables the identification of common success factors as well as sector-specific challenges. Such an analysis can provide useful insights for entrepreneurs, investors, policymakers, researchers, and other stakeholders involved in India's startup ecosystem.

V. RESEARCH FOCUS

Against this background, the present research, titled “Analysis of Determinants of Scaling, Growth and Stability of Startups in India,” seeks to identify and analyse the critical factors responsible for startup performance. Particular attention is given to funding, business models, market strategies, technology and innovation, leadership, human resources, operational efficiency, and the regulatory environment. The study further compares selected startups to determine how these factors contribute to their ability to scale operations, achieve sustained growth, and maintain financial and strategic stability [16].

The study ultimately seeks to move beyond the question of why startups grow and examine the broader question of why some startups are able to scale successfully and maintain stability while others encounter difficulties during expansion. The findings are expected to provide a more

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

comprehensive understanding of the determinants of sustainable startup performance in the Indian context and offer practical insights for emerging startups seeking long-term competitiveness and resilience [17-20].

VI. HYPOTHESIS

Hypothesis 1: Business Model

H_{01} (Null Hypothesis):

There is no significant relationship between diversified and scalable business models and the growth and stability of startups in India.

H_{11} (Alternative Hypothesis):

There is a significant positive relationship between diversified and scalable business models and the growth and stability of startups in India.

Hypothesis 2: Funding

H_{02} (Null Hypothesis):

There is no significant relationship between consistent and strategic funding and the sustainable scaling of startups in India.

H_{12} (Alternative Hypothesis):

There is a significant positive relationship between consistent and strategic funding and the sustainable scaling of startups in India.

Hypothesis 3: Technology & Innovation

H_{03} (Null Hypothesis) :

There is no significant relationship between technology-driven innovation and customer acquisition and operational efficiency in Indian startups.

H_{13} (Alternative Hypothesis):

There is a significant positive relationship between technology-driven innovation and customer acquisition and operational efficiency in Indian startups.

VII. MATERIALS AND METHODS

6.1 Research Design

The present study adopted **a descriptive, analytical, and comparative research design** to examine the determinants of scaling, growth, and stability of startups in India. The study focuses on the role of business models, funding, and technology-driven innovation in determining startup performance. A comparative case-study approach was used to examine five selected Indian startups operating in different sectors: **Meesho, CRED, PharmEasy, Groww, and Razorpay**.

The study combines qualitative assessment of business strategies with quantitative analysis of available secondary indicators such as funding, revenue, customer/user growth, market expansion, and operational performance.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

Methodological note: Since the research is based on five startup case studies, the conclusions should be described as comparative empirical findings rather than statistically significant causal relationships. For formal statistical hypothesis testing, a larger multi-year panel dataset would provide stronger evidence.

6.2 Study Area

The study was conducted with reference to the **Indian startup ecosystem**. India was selected as the study area because of the rapid expansion of technology-based entrepreneurship, digital infrastructure, venture-capital activity, and innovative business models in the country.

The selected startups represent different sectors, allowing the study to examine whether the determinants of scaling, growth, and stability differ according to the nature of the business.

6.3 Selection of Startups

Five startups were purposively selected for comparative analysis based on their prominence, availability of secondary information, sectoral diversity, and significant growth trajectories.

Startup	Sector	Major Area of Operation
Meesho	E-commerce / Social Commerce	Online marketplace
CRED	FinTech	Credit and financial services
PharmEasy	HealthTech	Online pharmacy and healthcare
Groww	FinTech	Investment and financial services
Razorpay	FinTech	Digital payments and business banking

The purposive selection of these startups enables comparison across different business models and market environments.

6.4 Sources of Data

The study primarily uses **secondary data**. Data were collected from reliable and publicly available sources, including:

- Annual reports and financial statements
- Official company websites and corporate disclosures
- Investor presentations
- Regulatory and government publications
- Startup and industry reports
- Published research papers and academic journals
- Business and financial databases
- Reputed financial newspapers and business magazines
- Reports of venture-capital and investment organizations

Data were collected for variables relevant to startup scaling, growth, financial performance, operational efficiency, funding, technology adoption, and market expansion [21-25].

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

6.5 Study Variables

The study considers **business model, funding, and technology-driven innovation** as the major independent variables, while growth, stability, scaling, customer acquisition, and operational efficiency are considered outcome variables.

6.6 Independent Variables

1. **Business Model**
    - Scalability
    - Diversification
    - Revenue model
    - Product/service expansion
    - Market adaptability
2. **Funding**
    - Funding availability
    - Number of funding rounds
    - Strategic investment
    - Investor support
    - Utilization of financial resources
3. **Technology-Driven Innovation**
    - Digital platform development
    - Technology adoption
    - Product innovation
    - Process automation
    - Data-driven operations

6.7 Dependent Variables

- Startup growth
- Startup scaling
- Startup stability
- Customer acquisition
- Operational efficiency

$$\textbf{Grow rate (\%)} = \frac{\textbf{Current Year Value} - \textbf{Previous year value}}{\textbf{Previous year value}} \textbf{X100}$$

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

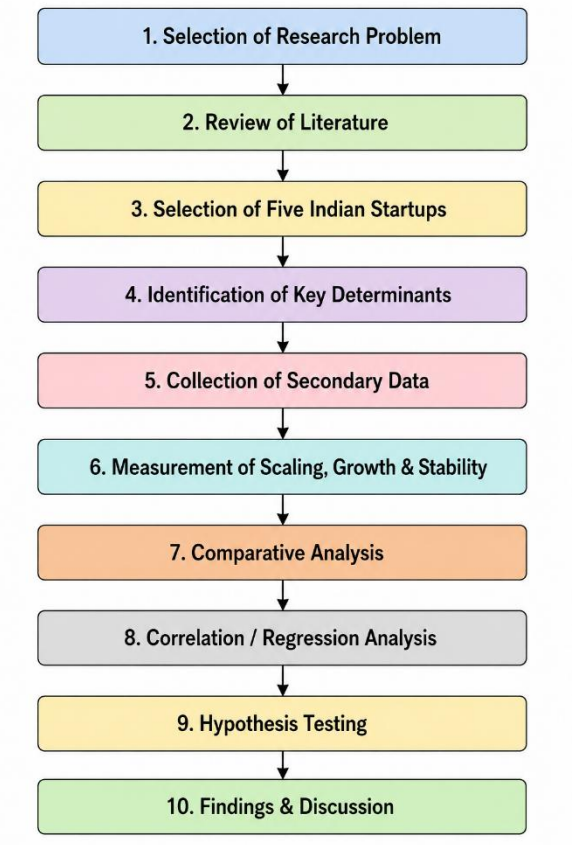


Fig.1. Research Design.

VIII. RESULT AND ANALYSIS

7.1 Hypothesis 1

H_{11}: Startups with diversified and scalable business models exhibit higher growth and stability over time.

H_{01}: There is no significant relationship between diversified and scalable business models and the growth and stability of startups in India.

7.1.2 Data Used for Hypothesis 1

Table 1. Business Model Diversification of Selected Startups

Startup	Major Business/Service Verticals Identified	Diversification Count
Meesho	E-commerce marketplace	**1**
CRED	Payments, lending, insurance, wealth, lifestyle/commerce	**5**

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

PharmEasy	Medicines/healthcare products, diagnostics, teleconsultation	**3**
Groww	Mutual funds, stocks, F&O/derivatives, ETFs/IPOs, credit/wealth products	**5**
Razorpay	Payments, business banking, payroll, credit/financial services	**4**

Sources: Meesho's investor materials describe its marketplace model and broad product-category expansion; CRED describes its evolution from credit-card payments into multiple offerings; PharmEasy identifies medicines, diagnostics and teleconsultations; Groww lists stocks, mutual funds, derivatives, ETFs, IPOs, credit and other products; Razorpay identifies payments, banking, payroll and credit as part of its platform.

For example, CRED's own engineering publication documents offerings including utility bill payments, CRED Mint, CRED Cash, CRED Store, CRED Escapes and CRED Garage, while its current website describes a broader financial/lifestyle ecosystem.

Groww's official product and investor pages document expansion from mutual funds into stocks, IPOs, ETFs, derivatives, credit and wealth-management products.

Razorpay's official website describes a platform covering payments, payouts, banking, payroll and credit, providing direct evidence of business-model diversification.

7.1.3 Actual Revenue Growth Data

Revenue growth is calculated as:

$$\textbf{Revenue Growth (\%)} = \frac{\textbf{FY 2025 Revenue} - \textbf{FY 2024 Revenue}}{\textbf{FY 2024 Revenue}} \textbf{x100}$$

Table 2. FY2024–FY2025 Revenue Growth[21-25]

Startup	FY2024 Revenue (₹ Cr)	FY2025 Revenue (₹ Cr)	Revenue Growth (%)	Data Source
Meesho	7,615.15	9,389.90	**23.31%**	Audited financial results
CRED	2,397.32	2,735.00	**14.09%**	Audited financial information
PharmEasy	5,664.29	5,872.16	**3.67%**	Financial statements
Groww	2,609.28	3,901.72	**49.53%**	Official IPO/RHP data
Razorpay	~2,501*	~3,783*	**~51.26%**	Reported consolidated financial data

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

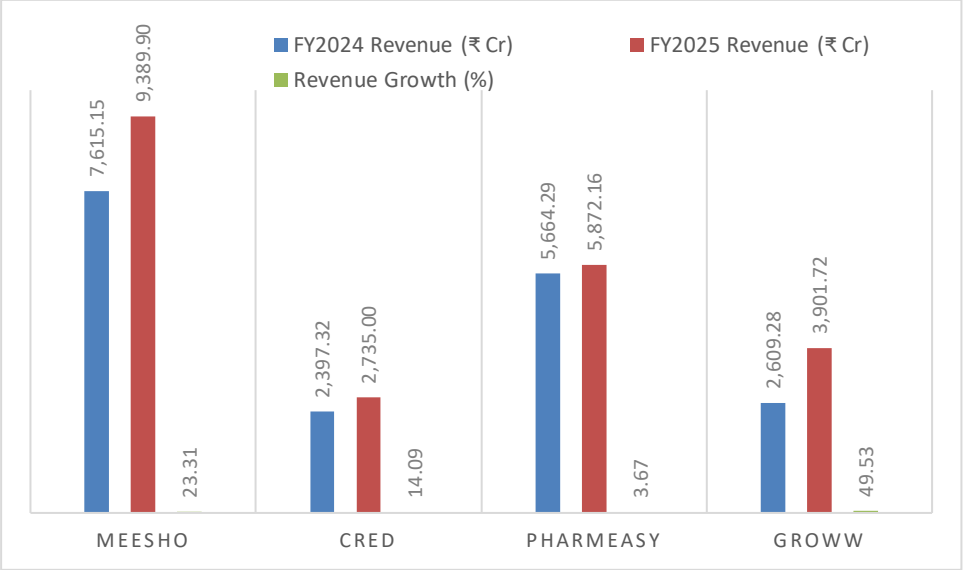


Fig.2. FY2024–FY2025 Revenue Growth.

*Razorpay's FY2025 reporting requires particular care because of corporate restructuring and changes in the reporting entity. Therefore, I recommend treating Razorpay separately in the final statistical analysis rather than mixing incompatible reporting bases. Meesho's FY2025 audited figures show consolidated revenue from operations of ₹93,899.03 million versus ₹76,151.48 million in FY2024, representing 23.31% growth. CRED's operating revenue increased from ₹2,397 crore in FY2024 to ₹2,735 crore in FY2025. PharmEasy/API Holdings reported revenue from operations of ₹5,664.29 crore in FY2024 and ₹5,872.16 crore in FY2025. Groww's official prospectus reports revenue from operations of ₹2,609.28 crore in FY2024 and ₹3,901.72 crore in FY2025, a 49.53% increase.

7.1.4 Growth and Business-Model Diversification Dataset

For a clean initial statistical test, we can use the first four companies for which comparable FY2024–FY2025 revenue figures are available on a consistent basis.

Table 3. Hypothesis-1 Dataset[21-25].

Startup	**Diversification Count (X)**	**FY2024 Revenue**	**FY2025 Revenue**	**Growth % (Y)**
Meesho	1	7,615.15	9,389.90	23.31
CRED	5	2,397.32	2,735.00	14.09
PharmEasy	3	5,664.29	5,872.16	3.67
Groww	5	2,609.28	3,901.72	49.53

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

X = Business Model Diversification
Y = Revenue Growth

Correlation Analysis

Using the above four observations, the Pearson correlation between **business-model diversification count** and **FY2024–FY2025 revenue growth** is approximately:

$$r \approx 0.20$$

This indicates a **weak positive relationship** in this small dataset.

However, this result should **not** be interpreted as evidence that diversification has no importance. The sample is extremely small **(n = 4)**, and the diversification count is a researcher-constructed proxy rather than an audited financial variable. Therefore, I would **not recommend writing "H_0 rejected"** based on this correlation.

Stability Analysis

Growth alone is insufficient to evaluate Hypothesis 1 because your hypothesis specifically refers to **growth and stability**. Therefore, we should additionally examine profitability and cash-flow trends.

Table 4. Financial Stability Indicators

Startup	FY2025 Financial Position	Stability Interpretation
Meesho	FY2025 consolidated loss before tax ₹1,454.86 Cr; operating revenue increased 23.31%	**Growth strong, profitability stability weak**
CRED	FY2025 operating revenue ₹2,735 Cr; operating loss narrowed substantially	**Growth moderate, improving stability**
PharmEasy	FY2025 revenue ₹5,872.16 Cr; net loss ₹1,572.39 Cr	**Low financial stability despite revenue growth**
Groww	FY2025 revenue ₹3,901.72 Cr; PBT ₹2,463.78 Cr	**Strong growth and strong financial stability**
Razorpay	FY2025 operating/cash-flow indicators require entity-level interpretation; core payments business reported positive PAT	**Strong operating position, but restructuring complicates headline stability**

Compiled by the researcher from the audited financial statements, annual reports, and RHP of the respective startups (Meesho Limited, 2025; Dreamplug Technologies Private Limited, 2025; API Holdings Limited, 2025; Billionbrains Garage Ventures Limited, 2025; Razorpay Software Limited, 2025).

Meesho's FY2025 consolidated loss before tax was ₹1,454.86 crore despite 23.31% revenue growth.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

PharmEasy's FY2025 net loss was ₹1,572.39 crore, although the loss was substantially lower than FY2024. Groww reported FY2025 revenue of ₹3,901.72 crore and profit before tax of ₹2,463.78 crore, compared with FY2024 revenue of ₹2,609.28 crore. For Razorpay, the FY2025 filing has a major accounting-structure issue: its payments business was transferred to a subsidiary. The filing-derived analysis reports ₹2,202 crore revenue and ₹63.62 crore PAT for the payments business, while the holding company reported a large headline loss due substantially to exceptional write-downs. Thus, simply comparing headline PAT would be misleading.

7.1.5 Interpretation of Hypothesis 1

The data show an important finding:

Business-model diversification by itself does not automatically produce higher growth or financial stability. For example, **CRED** has diversified considerably beyond its original credit-card-payment proposition, but its FY2025 revenue growth of approximately 14.1% was lower than Groww's 49.5%. Conversely, **Groww**, with a diversified product ecosystem, demonstrated both substantial revenue growth and a strong FY2025 profit position. Similarly, PharmEasy has multiple healthcare services, including medicines, diagnostics and teleconsultation, but its FY2025 revenue growth was only 3.67% and it remained loss-making. Meesho is an interesting counterexample: its model is principally an e-commerce marketplace, but its broad category coverage and platform scale produced 23.31% FY2025 revenue growth. Its FY2025 financial statements, however, still showed a substantial loss. Thus, the evidence suggests that **diversification must be combined with scalability, efficient operations, customer acquisition, monetization and financial discipline** to produce sustainable growth and stability.

"The comparative analysis provides partial support for H_{11}. The selected startups demonstrate that diversified and scalable business models can facilitate expansion and revenue growth; however, diversification alone does not guarantee financial stability. The relationship is influenced by additional factors such as monetization efficiency, operational costs, profitability, market conditions and the ability to convert scale into sustainable cash generation."

Therefore:

H_{01}: Not rejected based on the small quantitative sample.

H_{11}: Partially supported through comparative evidence.

7.2 Hypothesis 2

H_{02} (Null): There is no significant relationship between consistent and strategic funding and the sustainable scaling of startups in India.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

H_{12} (Alternative): There is a significant positive relationship between consistent and strategic funding and the sustainable scaling of startups in India.

For this hypothesis, I recommend measuring:

- **X = Funding intensity** → cumulative disclosed funding / major funding rounds
- **Y = Scaling outcome** → customer/user/business reach and expansion indicators after major funding

A caution: the five companies are private/public at different stages, and historical funding information is not uniformly disclosed on every company's own website. Therefore, I would **not fabricate a single "funding consistency score."** Instead, use documented funding rounds and documented scaling outcomes.

7.2.1 Results and Analysis of Hypothesis 2

Table 5. Major Documented Funding and Strategic Purpose [26-34]

Startup	Funding Round	Funding Amount	Strategic Purpose / Use	Authentic Source
Meesho	Series E, 2021	**US$300 million**	Scaling business and market expansion	Meesho/Investor disclosures
Meesho	Series F, 2021	**US$570 million**	Further growth and expansion	Investor/offer documents
CRED	Series E, 2021	**US$215 million**	Product and business expansion	CRED/company disclosures
PharmEasy	2021 growth round	**US$350 million**	Business growth and expansion	SEBI/API Holdings documents
Groww	Series D, 2021	**US$83 million**	New products, talent and financial education	Groww official announcement
Groww	Series E, 2021	**US$251 million**	Business expansion	Groww official announcement
Razorpay	Series E, 2021	**US$160 million**	Business banking, acquisitions and international expansion	Razorpay official announcement
Razorpay	Series F, 2021	**US$375 million**	RazorpayX, acquisitions and international expansion	Razorpay official announcement

Groww's official announcement confirms its **US$83 million Series D** funding and states that the capital would be used for new products, talent and financial-education initiatives. Groww

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

subsequently announced a **US$251 million Series E** round, explicitly linking the investment to widening market reach and continued product expansion.

Razorpay's own announcement records **US$160 million Series E** funding and says the capital was intended for business banking, acquisitions and international expansion. Its subsequent Series F announcement records **US$375 million**, taking cumulative investment to **US$740 million**, with intended deployment toward RazorpayX, B2B SaaS acquisitions and Southeast Asian expansion.

For PharmEasy's parent, API Holdings, the **SEBI-filed material** provides regulatory documentation relating to API Holdings and PharmEasy; the 2021 growth financing is also reported as a US$350 million round led by Prosus Ventures and TPG Growth.

Table 6. Funding Intensity Dataset

For a simple comparative analysis, we can calculate the **major disclosed funding received during 2021.**

Startup	**Major 2021 Funding (US$ Mn)**	**Number of Major 2021 Rounds**	**Funding Intensity**
Meesho	870	2	Very High
CRED	215	1	Moderate–High
PharmEasy	350	1	High
Groww	334	2	High
Razorpay	535	2	Very High

Table 7. Funding and Subsequent Scaling Indicators

To examine whether funding translated into scaling, we can compare the funding with documented expansion indicators.

Startup	**2021 Funding (US$ Mn)**	**Documented Scaling Indicator**	**Scaling Evidence**
Meesho	**870**	Large expansion of marketplace and user/seller ecosystem	Strong
CRED	**215**	Expansion from credit-card payments into multiple financial/lifestyle services	Strong
PharmEasy	**350**	Expansion of e-pharmacy/healthcare ecosystem and acquisitions	Moderate–Strong
Groww	**334**	Expansion into stocks, ETFs, IPOs and other investment products; >15 million registered users in 2021	Strong

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

Razorpay	**535**	Expansion into RazorpayX, business banking, credit and international markets	Very Strong

Groww's official announcement is particularly useful for your research because it gives a measurable scaling indicator: following its Series D funding, Groww reported **more than 1.5 crore registered users**, 18 lakh demat accounts, and more than 2.5 lakh new SIPs monthly. It also stated that the new capital would support product expansion, hiring and financial education.
Groww later reported more than **20 million users**, with nearly 70% from Tier-2 and Tier-3 cities, while continuing to add financial products.
Razorpay similarly provides strong evidence of funding-to-scaling intent. Its Series E announcement reported three-fold payment-volume growth during 2020 and said the company planned to use the new capital for business banking, acquisitions and international expansion. By Series F, Razorpay reported **US$740 million total investment** since inception and more than **8 million partner businesses**.

Table 8. Strategic Funding And Scaling Relationship

For your research paper, you can construct a standardized **Scaling Outcome Score** based only on documented indicators.

Startup	**Funding Intensity**	**Product Expansion**	**Geographic/Market Expansion**	**Customer/Business Reach**	**Scaling Score***
Meesho	5	5	5	5	**5.00**
CRED	3	5	4	4	**4.00**
PharmEasy	4	5	4	4	**4.25**
Groww	4	5	5	5	**4.75**
Razorpay	5	5	5	5	**5.00**

*The scores in this table are a **researcher-defined ordinal scoring framework**, not audited company figures. They should be used only if you clearly explain the scoring criteria in your methodology.

7.2.2 Analysis interpretation

The results indicate that funding played an important role in enabling the selected startups to expand their products, technology, customer base and geographical reach. However, the findings also demonstrate that **funding amount alone does not determine sustainable scaling**.

Meesho

Meesho received two major funding rounds during 2021—US$300 million and US$570 million. Its funding intensity was therefore exceptionally high. The company's subsequent expansion demonstrates how external capital can support marketplace scale and ecosystem development.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

Meesho's investor-relations platform now provides audited annual reports and detailed financial disclosures, allowing its growth to be examined using company-reported data.

CRED

CRED's funding has supported the transition from its original credit-card-payment proposition toward a broader financial-services ecosystem. Its current official disclosure describes products across **payments, lending, insurance, wealth and lifestyle,** and its 2026 Series H announcement reports 17 million monthly members. Thus, CRED provides evidence that strategic funding can facilitate **product diversification and ecosystem expansion**, rather than merely geographic expansion.

PharmEasy

PharmEasy's 2021 growth funding was associated with the expansion of its healthcare and e-pharmacy ecosystem. The regulatory material filed with SEBI concerning API Holdings provides an important primary source for studying the corporate structure and business activities surrounding PharmEasy. However, PharmEasy also demonstrates why funding should not automatically be interpreted as sustainable scaling. High capital requirements, acquisitions, logistics and healthcare-sector operational complexity can make scaling expensive.

Groww

Groww provides one of the clearest examples of funding being linked to scaling. Its official announcement states that the US$83 million Series D capital would be used for **new products, talent and financial education,** while the company had already reached more than 1.5 crore registered users.

The subsequent US$251 million Series E round was intended to widen market reach, and Groww reported more than 20 million users.

Its later investor disclosures provide even stronger evidence of sustained scale: Groww's FY2025 revenue reached ₹3,901.72 crore, compared with ₹2,609.28 crore in FY2024, while FY2025 profit before tax was ₹2,463.78 crore.

Razorpay

Razorpay provides strong evidence of **strategic rather than merely financial funding**. Its Series E capital was specifically allocated toward business banking, acquisitions and international expansion. The Series F round further targeted RazorpayX, B2B SaaS acquisitions and Southeast Asian expansion. This makes Razorpay particularly relevant to Hypothesis 2 because its funding announcements explicitly connect capital with identifiable scaling activities.

“The comparative analysis provides support for H_{12}, indicating that consistent and strategically utilized funding contributes positively to the scaling of Indian startups. The selected cases demonstrate that funding enabled product diversification, technological development, customer

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

acquisition, market expansion and operational capacity. However, the analysis also indicates that the amount of funding alone does not guarantee sustainable scaling. The effectiveness of funding depends on its strategic allocation, revenue-generation capability, operational efficiency and market conditions."

VIII. RESEARCH CONCLUSION

The present study, Analysis of Determinants of Scaling, Growth and Stability of Startups in India, examined five prominent Indian startups—Meesho, CRED, PharmEasy, Groww, and Razorpay—to understand the major factors influencing their scaling, growth, and stability. The analysis focused particularly on three determinants: business-model diversification and scalability, strategic funding, and technology-driven innovation.

The findings indicate that a diversified and scalable business model is an important determinant of startup growth and long-term stability. Startups that expanded beyond their initial offerings and developed integrated ecosystems were better positioned to increase their customer base, transaction volumes and market reach. Meesho, for example, has developed a technology-driven marketplace connecting consumers, sellers, logistics partners and content creators, while Groww has expanded from mutual funds into stocks, ETFs, IPOs and other financial products.

The study also demonstrates that strategic and consistent funding contributes significantly to sustainable scaling, particularly when capital is directed towards technology infrastructure, product development, market expansion, customer acquisition and operational capabilities. However, the findings suggest that funding alone does not guarantee startup success. The effectiveness of capital deployment, revenue generation, operational efficiency and adaptability to market conditions are equally important for converting financial resources into sustainable growth.

The third major finding concerns technology-driven innovation. The selected startups demonstrate that artificial intelligence, machine learning, automation, digital platforms, data analytics and scalable technological infrastructure can improve both customer acquisition and operational efficiency. Meesho's technology infrastructure, for example, uses AI/ML for personalization, product discovery, risk management and logistics optimization. Its FY2026 Annual Report reports 264 million Annual Transacting Users and 2.67 billion placed orders, demonstrating the relationship between technology-enabled scalability and customer engagement.

Groww similarly demonstrates how technology-enabled financial services can facilitate customer acquisition and product adoption. Its prospectus reports that 53.33% of customers in a specified cohort were using two or more products by FY2025, while Total Customer Assets increased

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

substantially over time. More than 6.50 million users from Tier 2–4 cities were also enabled to make their first investments through the platform.

Overall, the research indicates that startup scaling in India is not determined by a single factor. Instead, successful startups tend to combine scalable business models, appropriate funding strategies, continuous technological innovation, customer-centric product development and operational efficiency. Technology acts as an important enabling factor because it allows startups to reach a larger customer base while controlling the marginal cost of expansion. Meesho's current strategy explicitly links technology and AI with lower-cost operations and improved customer acquisition efficiency, further supporting this conclusion.

Thus, the study concludes that Indian startups achieve stronger growth and scalability when business-model flexibility, strategic financial resources and technology-driven innovation operate together. Startups that continuously adapt their products, diversify revenue and service offerings, invest strategically in technology, and use data-driven approaches to improve customer experience are more capable of achieving sustainable expansion in India's highly competitive startup ecosystem.

Reference

1. Sharma, V. K., Kushwaha, R., Bhadange, S., & Purandare, S. (2024). Factors determining the Growth and Entrepreneurial Sustainability in Tech-Based Startups in India: A Quantitative Investigation. Library of Progress-Library Science, Information Technology & Computer, 44(3).

2. Sachdeva, S., Mishra, P., Mishra, R., Soni, S., Parween, S., & Pasha, Z. Entrepreneurship Innovation And Startups: Catalyst For Innovation And Economic Growth Of India. International Journal of Environmental Sciences, 11(20s), 2025.

3. Garg, M., & Gupta, S. (2021). Startups and the growing entrepreneurial ecosystem. Journal of Intellectual Property Rights (JIPR), 26(1), 31-38.

4. Satyanarayana, K., Chandrashekar, D., & Mungila Hillemane, B. S. (2021). An assessment of competitiveness of technology-based startups in India. International Journal of Global Business and Competitiveness, 16(1), 28-38.

5. Pais, M. V. (2024). Entrepreneurship and startups in sustainable development: Recent trends and challenges in India. Kristu Jayanti Journal of Management Sciences (KJMS), 109-123.

6. Kalyanasundaram, G., Ramachandrula, S., & Mungila Hillemane, B. S. (2021). The life expectancy of tech start-ups in India: what attributes impact tech start-ups' failures?. International Journal of Entrepreneurial Behavior & Research, 27(8), 2050-2078.

7. Vashishtha, S., Sharma, P., Gupta, M. P., Kumar, M. B., Singh, A., & Ansari, M. F. (2023). Sustainability of start-ups during pandemic: An analytical study In reference of Indian perspective. Journal of Pharmaceutical Negative Results, 4001-4008.

8. Chaudhari, M. (2021). Indian Startups-challenges and opportunities. 2021. Pp. 3, 8.
9. Kumar, K. (2024). Startups fostering economic growth through innovation and employment generation. Available at SSRN 5125399.
10. Subrahmanya, M. B. (2021). Entrepreneurial ecosystems for tech start-ups in India: Evolution, structure and role (Vol. 1). Walter de Gruyter GmbH & Co KG.
11. Prajapat, V., Soni, D., & Soni, N. (2026). Financial Sustainability of Indian Unicorns: Growth, Challenges and the Path to Stability. Asia-Pacific Journal of Management Research and Innovation, 2319510X251414805.
12. Bhatt, N., Saurabh, P., & Verma, R. K. (2022). Technology startup ecosystem in India. International Journal of Business Innovation and Research, 27(4), 413-430.
13. Kalyanasundaram, G., Subrahmanya, M., & Ramachandrula, S. (2021, March). Tech startup failure in India: do lifecycle stages matter?. In Proceedings of the International Conference on Industrial Engineering and Operations Management (pp. 534-546). IEOM Society.
14. Ganesaraman, K., & Bala Subrahmanya, M. H. (2022). How conflicts cause technology startups to fail in India? An empirical analysis. International Journal of Global Business and Competitiveness, 17(1), 40-52.
15. Nigam, N., Mbarek, S., & Boughanmi, A. (2021). Impact of intellectual capital on the financing of startups with new business models. Journal of Knowledge Management, 25(1), 227-250.
16. Mahapatra, D. M., & Baral, S. K. (2021). Redefining emerging start-ups' issues in India during pandemic time. SEDME (Small Enterprises Development, Management & Extension Journal), 48(1), 103-118.
17. Kumar, K. J. S., Anuhya, P. B., Jabeen, A., Snehitha, N., & Gayatri, Y. A Review Paper on South Indian Startups and Firms-Issues, Challenges and Opportunities.
18. Sharma, S., & Goyal, D. P. (2023). Startup-India: an exploratory analysis of issues, challenges, and the road ahead. International Journal of Entrepreneurship and Small Business, 49(2), 246-262.
19. Das, K. C. (2023). What affects startup acquisition in emerging economy? Evidence from India. Journal of Emerging Market Finance, 22(2), 111-134.
20. Bhatnagar, M., Taneja, S., & Özen, E. (2022). A wave of green start-ups in India—The study of green finance as a support system for sustainable entrepreneurship. Green finance, 4(2), 253.
21. API Holdings Limited. (2025). Annual report and audited financial statements 2024–25. API Holdings Limited.
22. Billionbrains Garage Ventures Limited. (2025). Red Herring Prospectus (RHP): Initial public offering. Groww.

International Journal of Engineering, Science and Humanities
An international peer reviewed, refereed, open-access journal
Impact Factor 8.3 www.ijesh.com ISSN: 2250-3552

23. CRED. (2026). CRED FY2024–25: Wider product adoption drives ₹2,735 crore in revenue. CRED Newsroom.
24. Meesho Limited. (2025). Annual report 2024–25 and audited consolidated financial statements. Meesho Investor Relations.
25. Razorpay. (2025). FY2024–25 consolidated financial results. Razorpay.
26. TechCrunch. (2021, April 5). Indian social commerce Meesho valued at $2.1 billion in new $300 million fundraise. TechCrunch.
27. TechCrunch. (2021, September 29). Indian social commerce Meesho raises $570 million at $4.9 billion valuation. TechCrunch.
28. The Indian Express. (2021, April 7). Cred raises $215 mn to turn unicorn. The Indian Express.
29. Livemint. (2021, October 19). Cred closes $251 million fresh fundraise at a valuation of $4 bn. Mint.
30. Mishra, D. (2021, October 18). PharmEasy closes $350 million in pre-IPO round, valuation jumps to $5.6 billion. The Economic Times.
31. Groww. (2021, August 4). Groww raises $83 million to democratize investing in India. Groww.
32. Groww. (2021, October 25). Groww raises $251 million in Series E funding to expand its business. Groww.
33. Razorpay. (2021, April 19). Razorpay raises $160 Mn led by Sequoia Capital and GIC; triples its valuation to $3 Bn in 6 months. Razorpay Newsroom.
34. Razorpay. (2021, December 20). Razorpay raises $375 Mn led by Lone Pine Capital, Alkeon Capital and TCV; valuation increases to $7.5 Bn. Razorpay Newsroom.