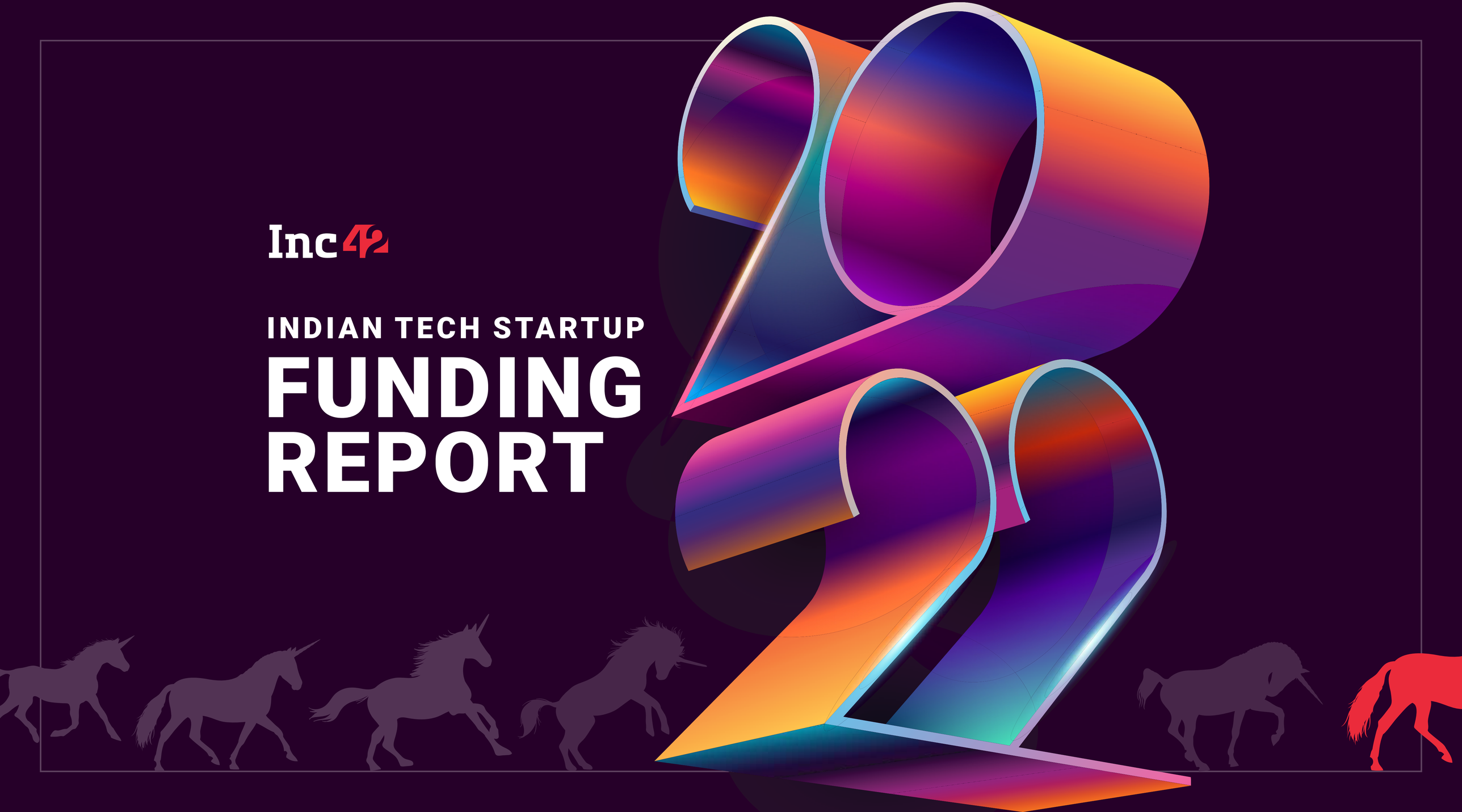
Inc42

INDIAN TECH STARTUP

# FUNDING REPORT



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# Executive Summary

## Venture Capital

**$25 Bn**
Total Funding Raised

**1.4K**
Funded Deals

**60**
Mega Deals

**$18 Mn**
Average Ticket Size

## M&As

**240**
M&A Deals

**$2.5 Bn+**
Spent On M&As

**Delhi NCR**
Hub With Most M&As

**Ecommerce**
Top Sector

## Unicorns

**21**
Unicorns

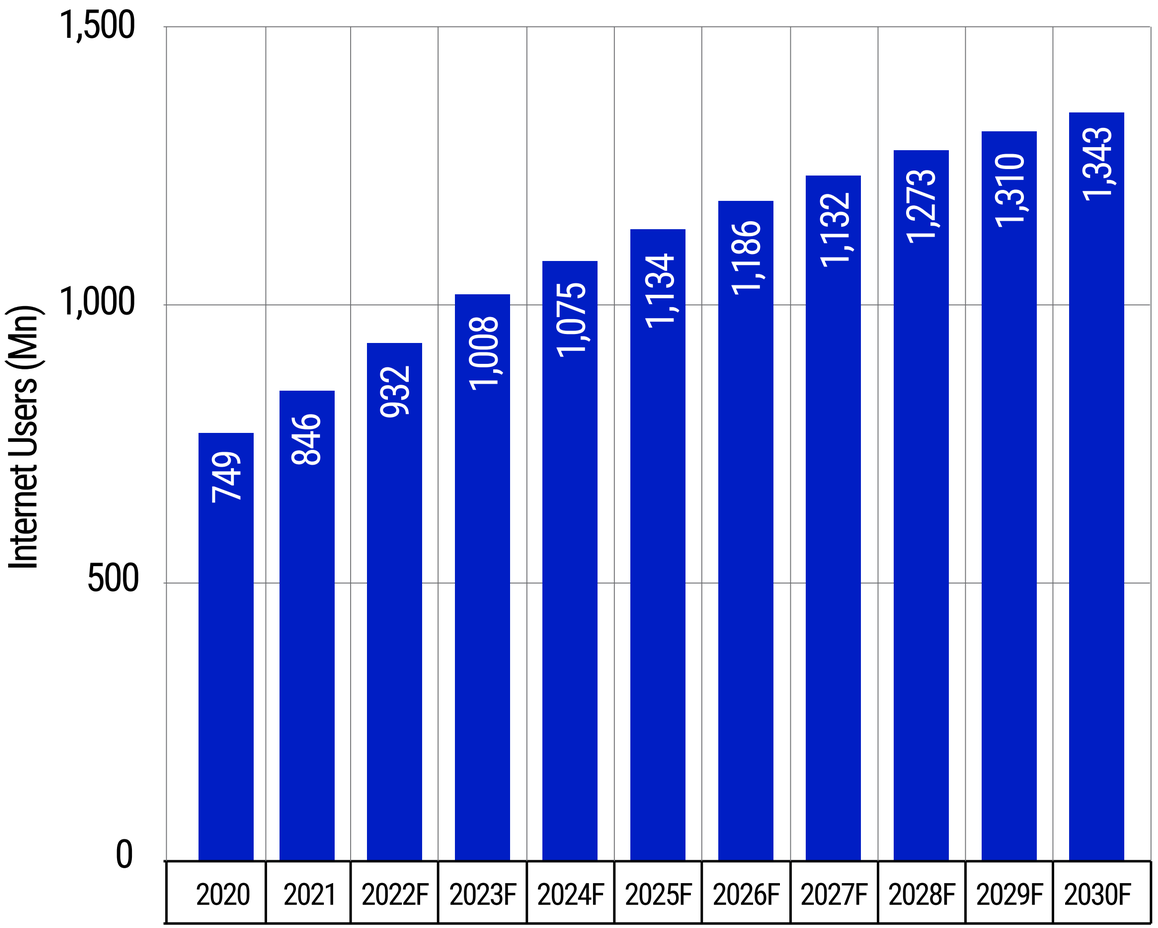
**Enterprisetech**
Minted The Most Unicorns

**Bengaluru**
Minted The Most Unicorns

**$27 Bn**
Combined Valuation

Note: Based on Indian startup funding deals recorded between 1st January and 25th December 2022

# India's Digital Economy In A Nutshell




*Source: Statista, NPCI, Bain & Company, App Annie*
*F stands for forecasted.*

| | | |
|---|---|---|
| **1.3 Bn+**<br>Internet Users By 2030 | **61%**<br>Internet Penetration In India | **44%**<br>Increase In Internet Users From 2022 To 2030 |
| **$0.68**<br>Per GB Internet Cost In India | **4.7 Hours**<br>Average Hours Spent On Mobile Per Day Per User | **305 Mn+**<br>Users Doing Online Transactions In India |
| **$138 Bn+**<br>Total Volume Of UPI Transactions As On November 2022 | **$2.8 Tn**<br>Total Value Of Upi Transactions As On November 2022 | **373 Mn+**<br>Estimated Rural Internet Users In 2022 |

# Indian Startup Economy: Key Highlights

## Startups & Investors

| | |
|---|---|
| 58K | Number Of Tech Startups Launched To Date |
| Enterprisetech | Sector With Most Number Of Startups |
| 9.5K | Investors Who Have Backed Indian Startup Ecosystem |
| 250+ | Incubators & Accelerators Fueling Startup Growth |

## Unicorns & Soonicorns

| | |
|---|---|
| 108 | Indian Startups That Have Entered Unicorn Club To Date |
| $345 Bn+ | Combined Valuation Of Indian Unicorns |
| 102 | Soonicorns In India |
| $35 Bn+ | Combined Valuation Of Indian Soonicorns |

# The Indian Startup Funding & M&A Deals Landscape

## Startup Funding

- $136 Bn — Total Funding Raised
- 5.3K — Unique Startups Funded
- $5 Bn — Total Funding Raised In Seed Stage
- $32 Bn — Total Funding Raised In Growth Stage
- $97 Bn — Total Funding Raised In Late Stage

## M&As & Exits

- 1.2K — Total M&As
- $6.4 Bn+ — Spent On M&As
- 18 — Total New Age Tech IPOs
- 22 — Upcoming Startup IPOs

Source: Inc42
Note: Funding & M&A data is for the period between 1st January, 2014 and 25th December 2022

## VALUED $10 BN OR ABOVE

BYJU'S Flipkart SWIGGY

## VALUED BETWEEN $5 BN AND $10 BN

PhonePe DREAM SPORTS Razorpay CRED freshworks zomato policybazaar.com DELHIVERY paytm OYO POSTMAN ShareChat meesho infoedge PharmEasy OLA ELECTRIC OLA

## SOONICORNS

Pocket FM filo PayMate turtlemint zepto LEAP DUNZO ninjacart Refyne Jupiter SCALER clear from the makers of cleartax moengage navi Nazara INDmoney moneyview INFIBEAM AVENUES Country Delight whatfix M2P BIZ ON GO Classplus KhataBook

## VALUED BETWEEN $1 BN AND $5 BN

ZETWERK druva droom The Good Glamm Group uniphore cure.fit Yubi one card BrowserStack Groww GAMES 24 SEVEN glance DealShare 5ire digit dailyhunt MPL MOBILE PREMIER LEAGUE REBEL FOODS XPRESSBEES Shiprocket purple Pine Labs BharatPe upGrad gupshub GlobalBees LEAD apna unacademy Urban Company BillDesk Chargebee CoinDCX ACKO RIVIGO ERUDITUS EXECUTIVE EDUCATION icertis ZERODHA elasticrun mamaearth TATA 1mg innovaccer make my trip paytm mall bigbasket ZOHO blinkit formerly grofers darwinbox udaan lenskart firstcry.com CarDekho Licious moglix Vedantu ofbusiness INFRA.MARKET ReNew POWER LIVSPACE PHYSICS WALLAH leadsquared coinswitch CARS24 zenoti MindTickle amagi INMOBI MENSA Spinny Mu Sigma MobiKwik Pristyn Care HASURA NOBROKER slice BLACKBUCK fractal INTELLIGENCE FOR IMAGINATION open OXYZO

Note: Soonicorns are companies valued at or over $200 Mn

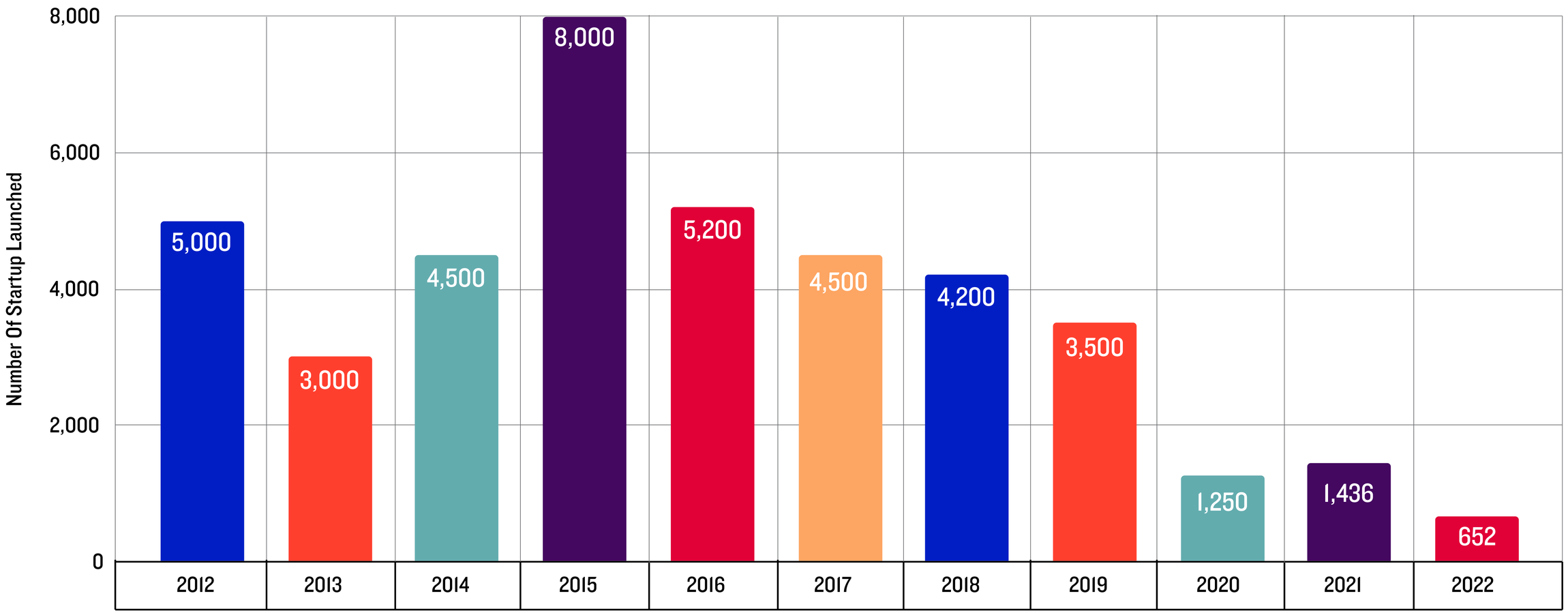
# Global Startup Ecosystem Comparison: India vs China vs USA

| | | | |
|---|---|---|---|
| Total Funding (2014 to 2022) | $136 Bn | $837 Bn | $2.7 Tn |
| Funding CAGR (2019 to 2022) | 27% | 26% | 85% |
| Internet Penetration (2021) | 61% | 73% | 90% |
| Total Internet Users (2021) | 846 Mn | 1.03 Bn | 302 Mn |

Source: Inc42, other secondary sources

# 2022 Recorded Lowest New Tech Startup Launches

Overall, Indian startup ecosystem has witnessed launch of 58K startups till date




Source: Inc42

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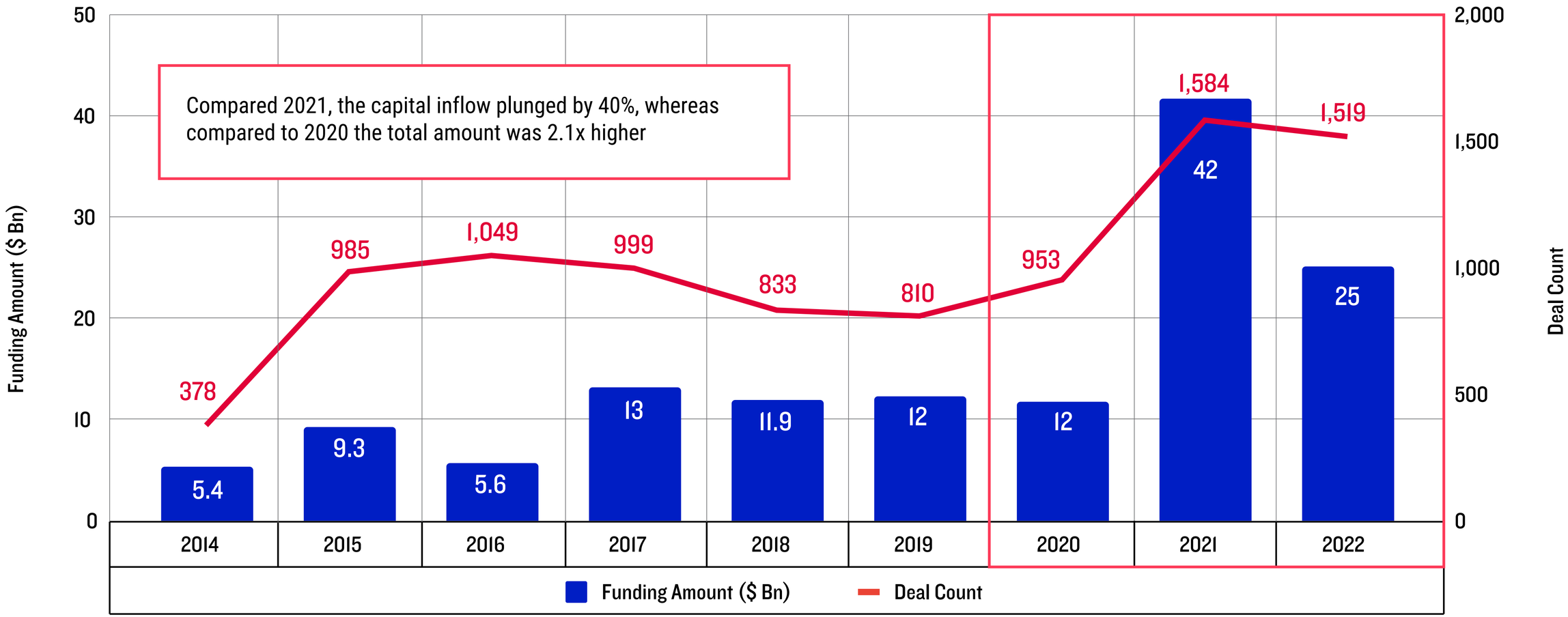
# Indian Startup Economy: State Of Funding & M&As

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Total Funding | $25 Bn | $42 Bn | $12 Bn |
| Deal Count | 1.5K | 1.6K | 953 |
| Average Ticket Size | $18 Mn | $22 Mn | $13 Mn |
| Total Unique Investors | 2.4K | 2.4K | 1.1K |
| Unicorns Minted | 21 | 44 | 12 |
| Number Of M&As | 240 | 210 | 82 |
| No. Of New Age Tech IPOs | 3 | 11 | 0 |

Source: Inc42
Note: 2022 data is as of 25th December

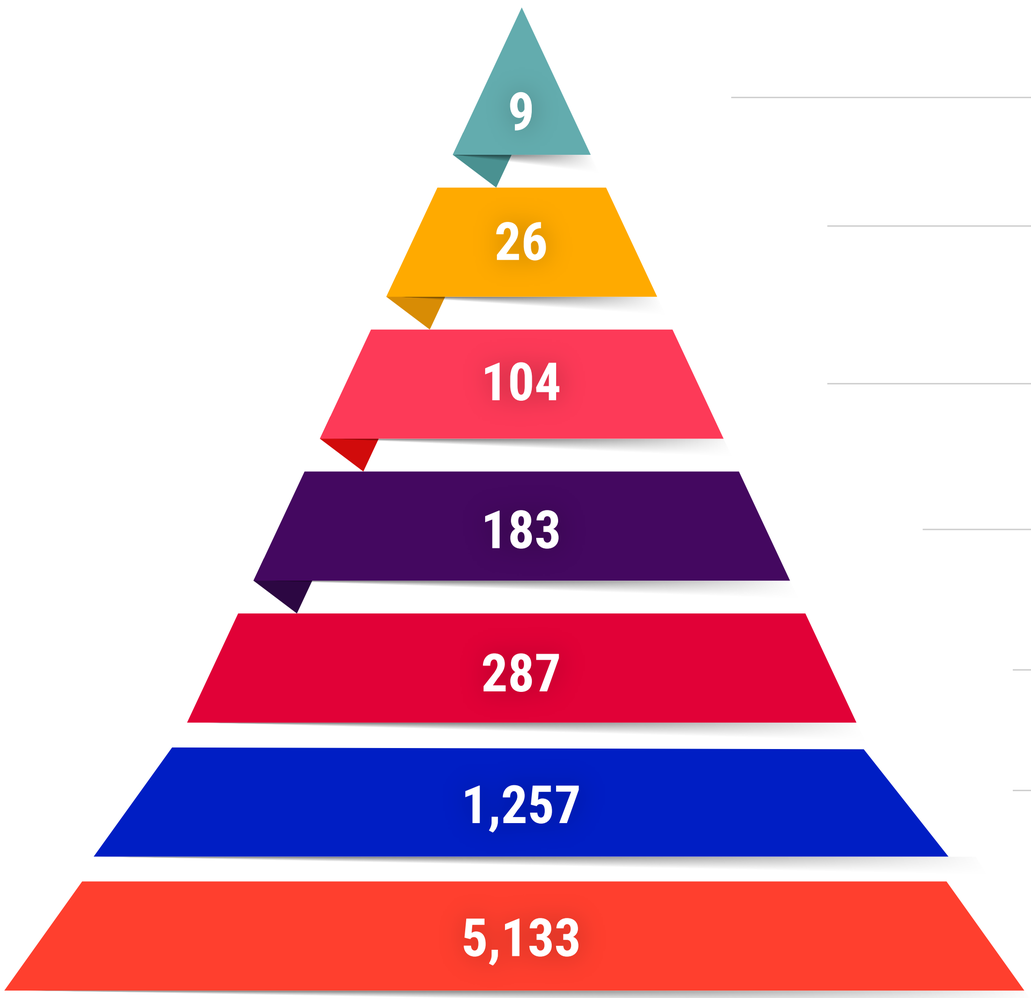
# Indian Startups Have Bagged $136 Bn In Funding To Date

## Of this, over $110 Bn has been raised by Indian unicorns and soonicorns alone




Source: Inc42
Note: 2022 data is as of 25th December

# Startup Funding Deals: Deal Size Categorisation




| | % of total |
|---|---|
| $1 Bn and above | 0.1% |
| $500 Mn to <$999 Mn | 0.4% |
| $200 Mn to <$499 Mn | 1.5% |
| $100 Mn to <$199 Mn | 2.6% |
| $50 to $100 Mn | 4.1% |
| $10 to $49 Mn | 18% |
| Less than $10 Mn | 73% |

Source: Inc42
Note: Based on Indian startup funding deals recorded between 1st January 2014 and 25th December 2022

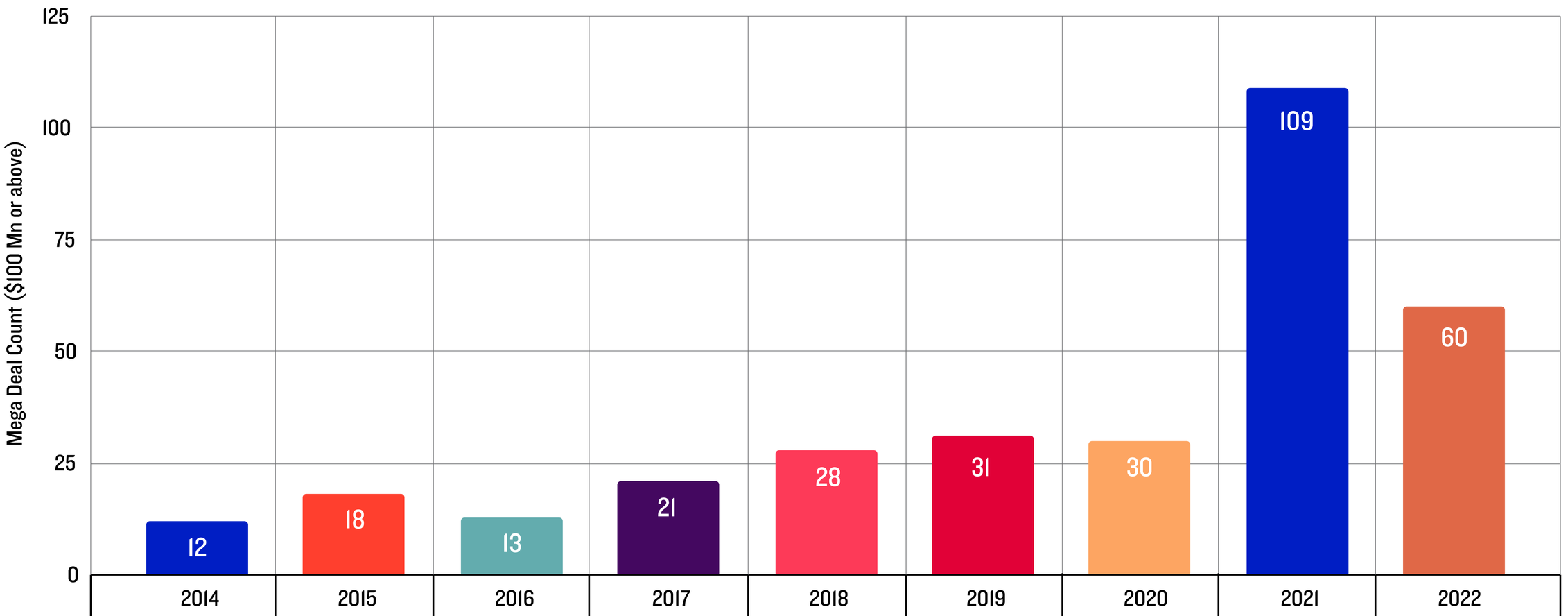
# Indian Startup Funding: Top 10 Mega Deals Of 2022

| Startup | Sector | Funding Stage | Round Size | Notable Investors |
|---|---|---|---|---|
| VERSE | Media & Entertainment | Late Stage | $805 Mn | Canada Pension Plan Investment Board, Ontario Teachers' Pension Plan Board (OTPPB), Luxor Capital, Sumeru Ventures |
| BYJU'S The Learning App | Edtech | Late Stage | $800 Mn | Byju Raveendran, Sumeru Ventures, Vitruvian Partners, BlackRock. |
| SWIGGY | Consumer Services | Late Stage | $700 Mn | Invesco, Baron Capital Group, Sumeru Venture, Alpha Wave Global, Qatar Investment Authority |
| polygon | Web3 | Growth Stage | $450 Mn | Sequoia Capital, SoftBank, Galaxy Digital, Tiger Global, Republic Capital |
| uniphore | Enterprisetech | Late Stage | $400 Mn | NEA, March Capital |

| Startup | Sector | Funding Stage | Round Size | Notable Investors |
|---|---|---|---|---|
| fractal INTELLIGENCE FOR IMAGINATION | Enterprisetech | Late Stage | $360 Mn | TPG |
| ERUDITUS EXECUTIVE EDUCATION | Edtech | Late Stage | $350 Mn | Canada Pension Plan Investment Board |
| elasticrun | Ecommerce | Late Stage | $300 Mn | Goldman Sachs, SoftBank, Innoven Capital, Chimera Investment |
| XPRESSBEES delivering happiness | Logistics Tech | Late Stage | $300 Mn | Blackstone Growth, TPG Growth, ChrysCapital, Norwest Venture Partners |
| stashfin | Fintech | Late Stage | $270 Mn | Uncorrelated Ventures, Fasanara Capital, Abstract Ventures |

# Funding Winter Chops Mega Deals By 45% In 2022

The low participation of SoftBank and Tiger Global in large funding rounds came out as the major reason for falling mega deals. Both Tiger and SoftBank participated in over 40 such deals in 2021 which came down to 18 in 2022




Source: Inc42
Note: 2022 data is as of 25th December

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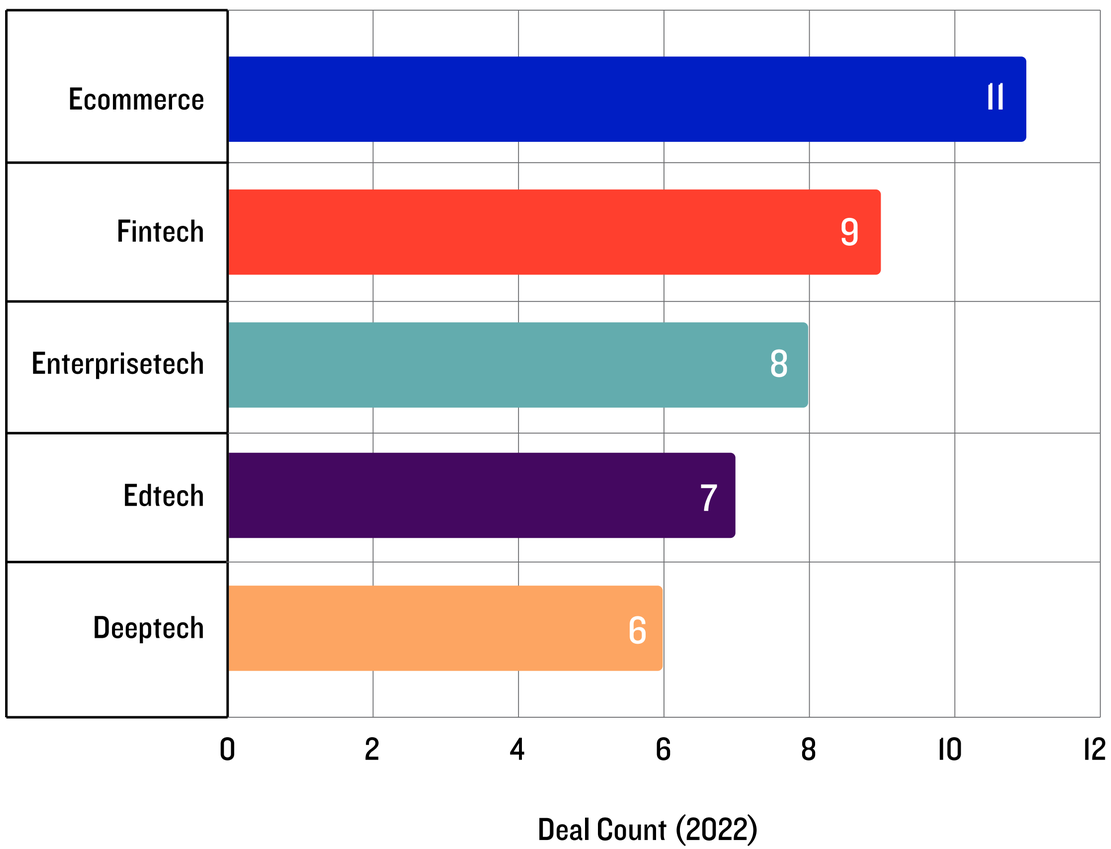
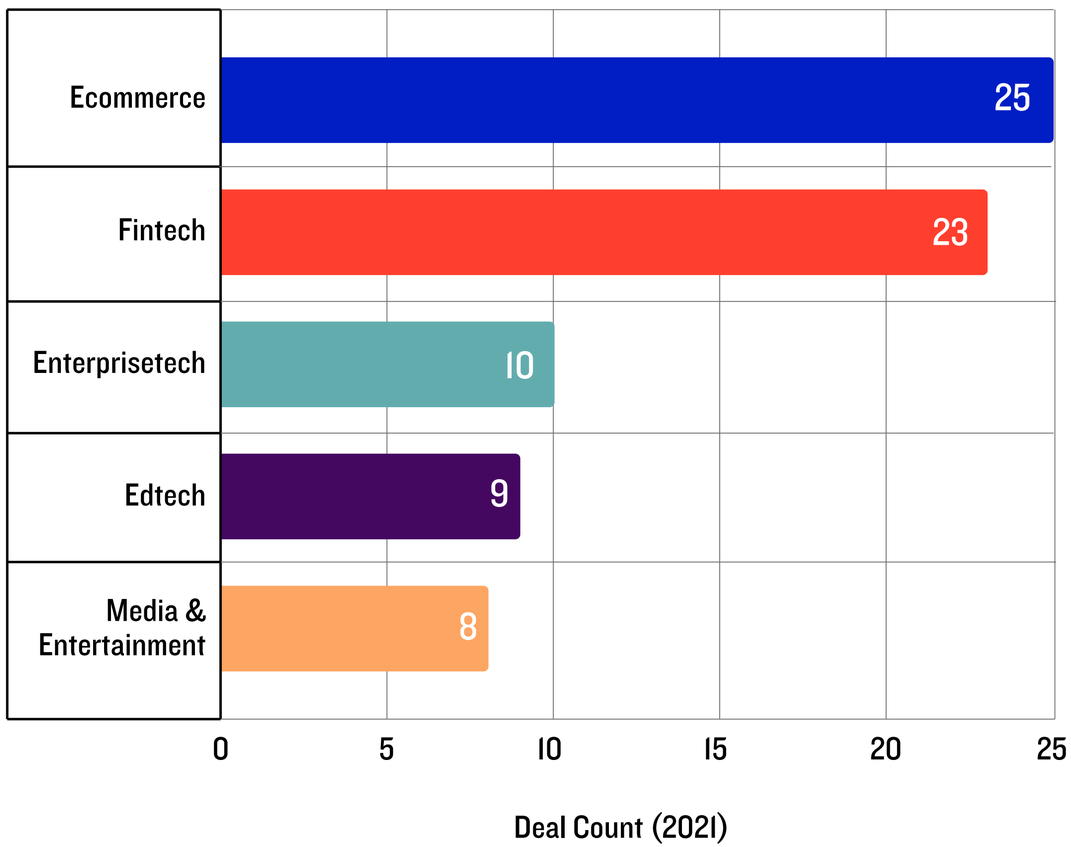
# Ecommerce, Fintech Had 33% Share In Overall Mega Deals In 2022

In 2022, the popularity of Blockchain/Web3 startups placed deeptech among the top five startup sectors in terms of mega deal count




Source: Inc42
Note: 2022 data is as of 25th December

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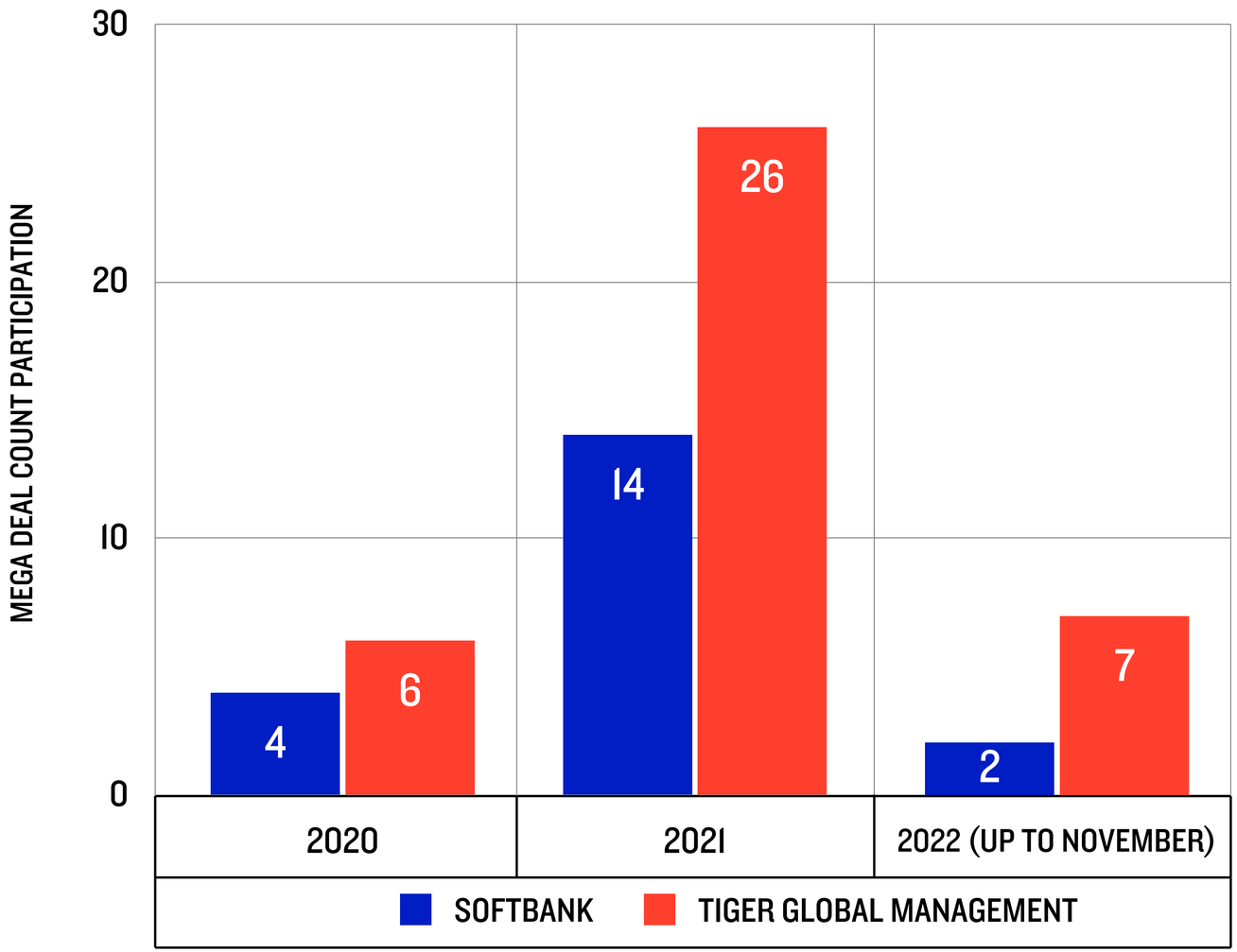
# SoftBank, Tiger Global Shy Away From Mega Deals In Indian Startups



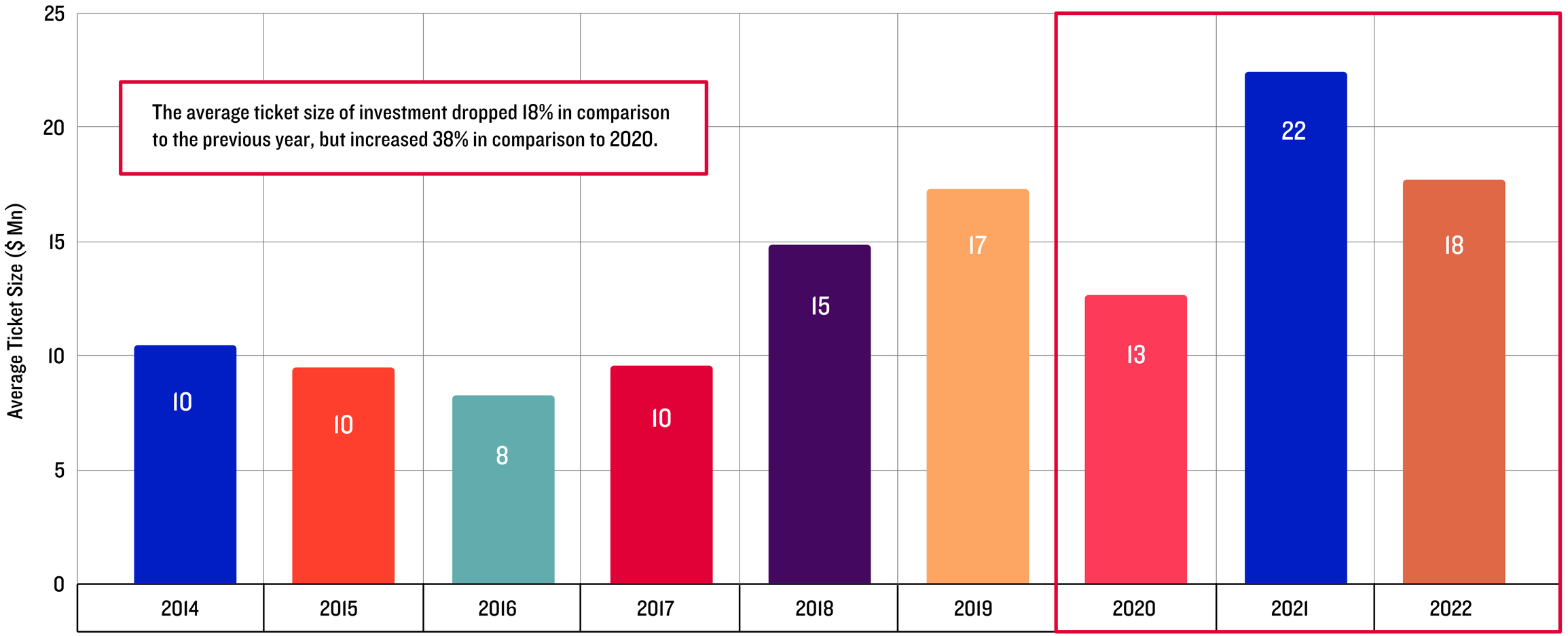

Source: Inc42

The contribution of Japanese tech investment major SoftBank and New York-based hedge fund Tiger Global to the Indian startup growth story has been phenomenal. Inc42's analysis suggests that since 2014 these two global investors have participated in roughly one out of every three mega deals (30%) in Indian startups.

Tracking SoftBank's and Tiger Global's investment journey since 2020, Inc42's estimates indicate that in 2021 the two global investors were very active in India. While SoftBank invested in 14 large rounds in 2021 compared to just 4 in 2020, Tiger Global participated in 26 mega deals across the startup ecosystem versus 14 such rounds in 2020.

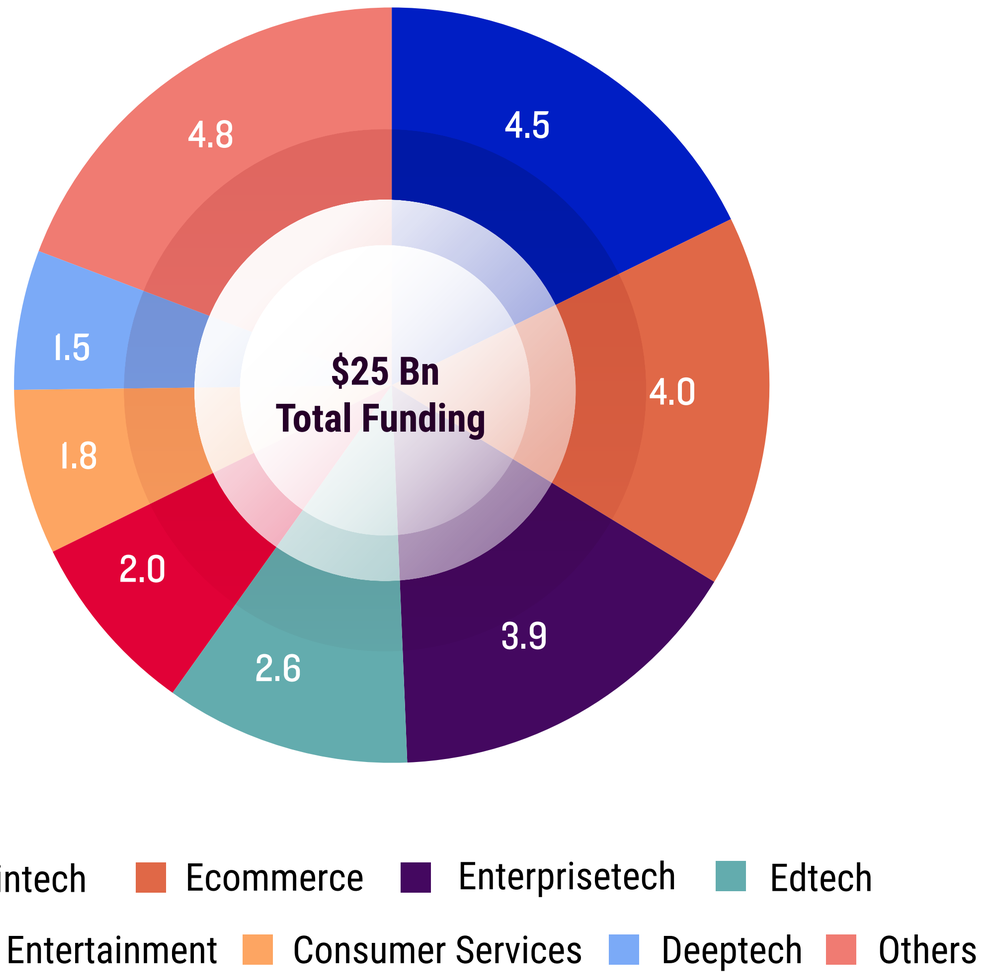
However, in 2022, the two dealmakers were seen practising refrain when it comes to big ticket investments in India. Further, there was a rapid decline in terms of deal volume and value for the two biggest investors, SoftBank and Tiger Global. In 2022, SoftBank invested in two mega deals, whereas Tiger Global participated in seven big fundraises, a significant decline on a YOY basis.

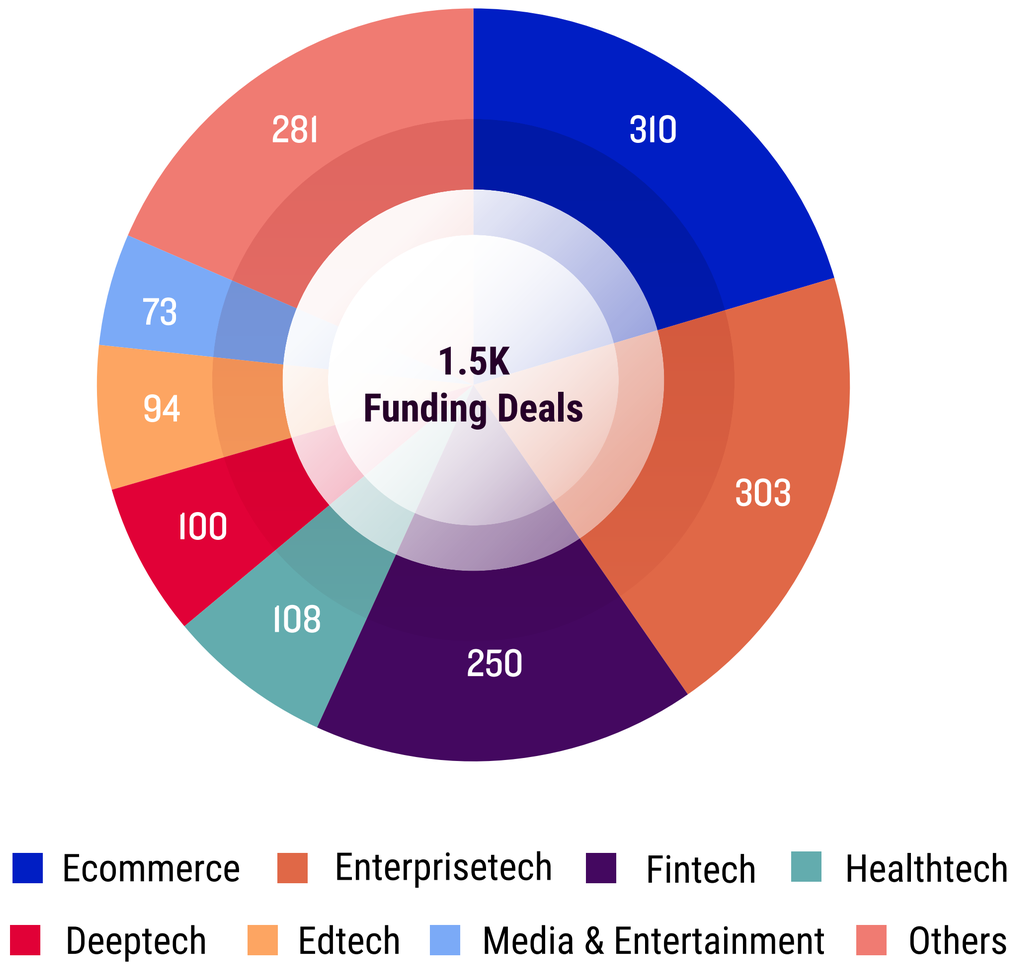
# Average Ticket Size Drops Down To $18 Mn For Indian Startups In 2022




Source: Inc42
Note: 2022 data is as of 25th December

# Most Funded Startup Sectors Of 2022




Source: Inc42
Note: 2022 data is as of 25th December

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# The Most Funded Startup Sectors In India

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Ecommerce | $4 Bn (310 deals) | $11 Bn (284 deals) | $904 Mn (97 deals) |
| Enterprisetech | $3.9 Bn (303 deals) | $3.2 Bn (229 deals) | $1.6 Bn (138 deals) |
| Fintech | $4.5 Bn (250 deals) | $8 Bn (280 deals) | $2.2 Bn (139 deals) |
| Media & Entertainment | $2 Bn (73 deals) | $3.6 Bn (107 deals) | $922 Mn (86 deals) |
| Consumer Services | $1.8 Bn (53 deals) | $3 Bn (71 deals) | $1.8 Bn (87 deals) |
| Edtech | $2.6 Bn (94 deals) | $4.7 Bn (166 deals) | $1.4 Bn (103 deals) |
| Deeptech | $1.5 Bn (100 deals) | $451 Mn (96 deals) | $187 Mn (57 deals) |

Source: Inc42
Note: 2022 data is as of 25th December

# Ecommerce Startup Ecosystem In India [2014 to 2022]

**$31 Bn**
Raised Across 1.4k Deals

**790+**
Funded Startups

**175**
Mergers And Acquisitions

**$615 Mn**
Total Funding In Seed Stage

**$4.5 Bn**
Total Funding In Growth Stage

**$25 Bn**
Total Funding In Late Stage

**Delhi NCR**
Top Startup Hub

**Pune**
Top Emerging Hub

Note: Based on Indian startup funding deals recorded between 1st January 2014 and 25th December 2022

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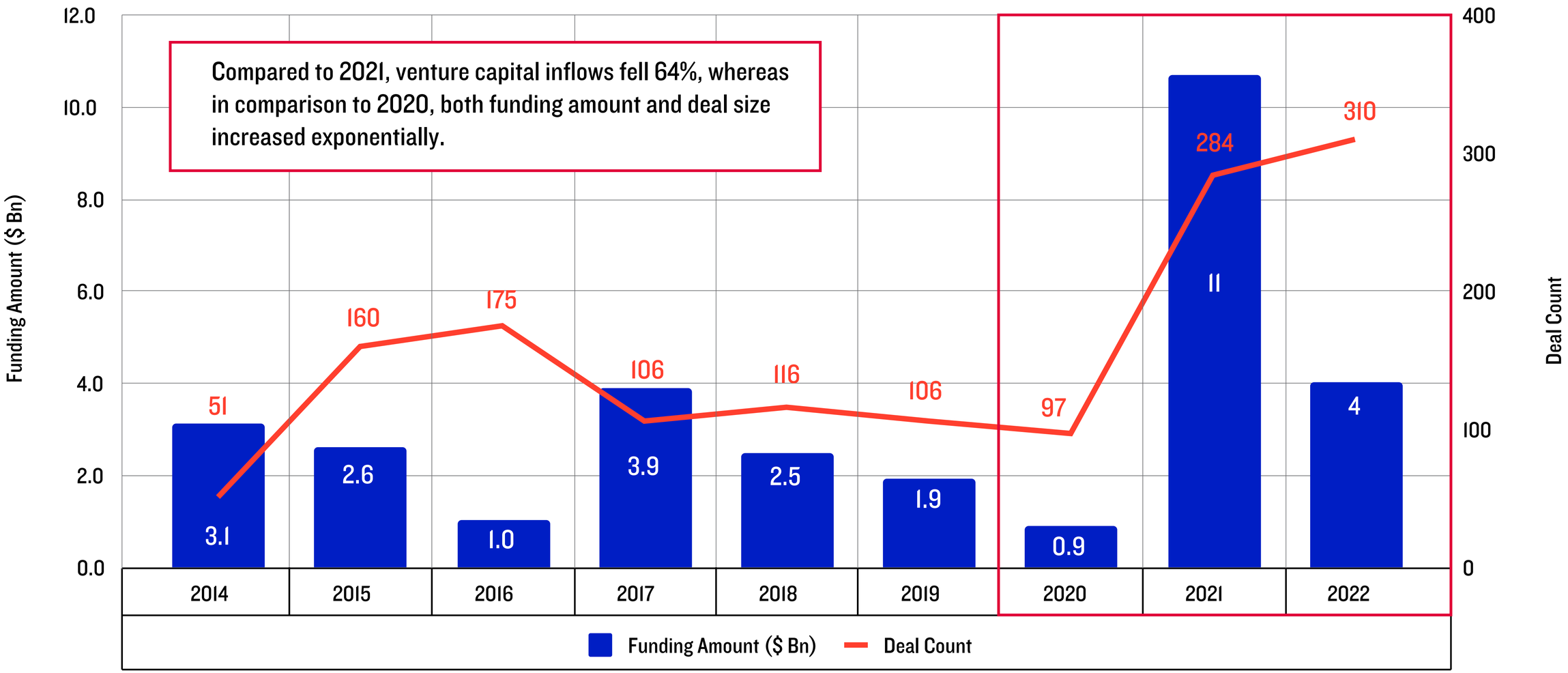
# Venture Capital Inflow In Indian Ecommerce Tanked In 2022




Source: Inc42
Note: 2022 data is as of 25th December

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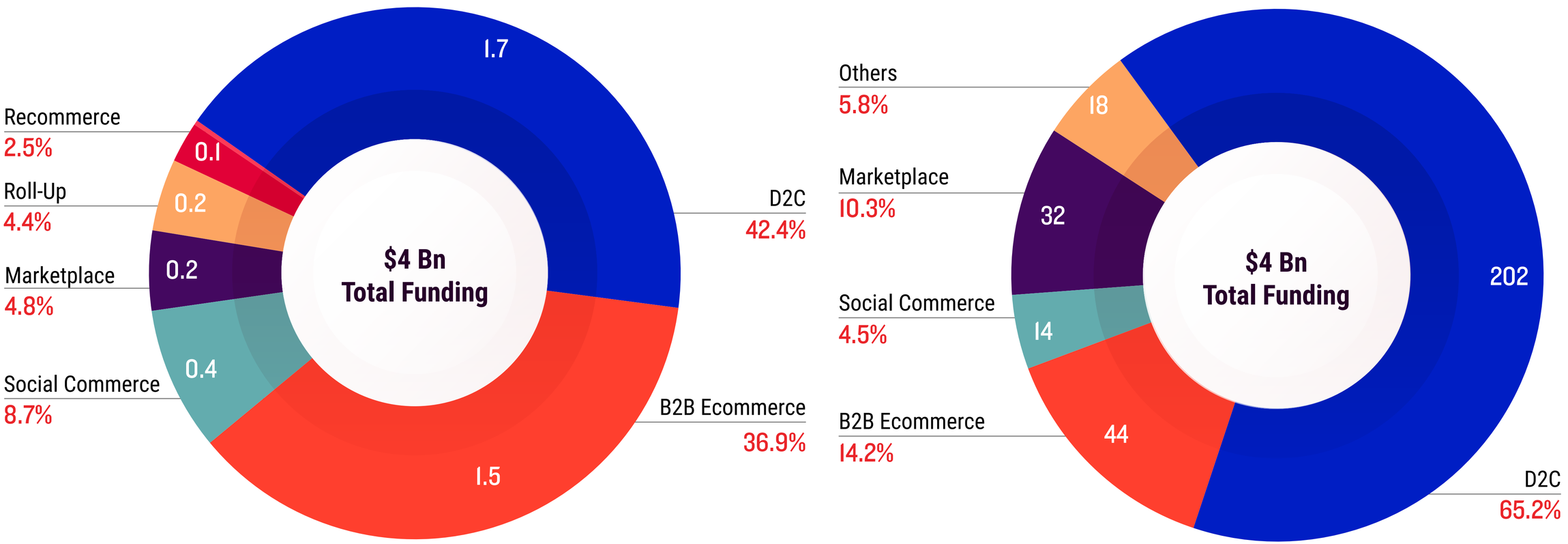
# Which Ecommerce Sub-Sectors Are Attracting Investor Eyeballs?

D2C continued to grab investor attention in 2022




Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

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# The State Of Ecommerce Funding In 2022

| | Funding Amount (2022) | YoY Change % | Deal Count | YoY Change % | Average Ticket Size (2022) |
|---|---|---|---|---|---|
| Seed Stage | $257 Mn | 51% | 146 | 30% | $3 Mn |
| Growth Stage | $948 Mn | -25% | 68 | -4% | $16 Mn |
| Late Stage | $2.6 Bn | -71% | 44 | -19% | $66 Mn |
| Bridge Funding | $158 Mn | 47% | 52 | 11% | $4 Mn |

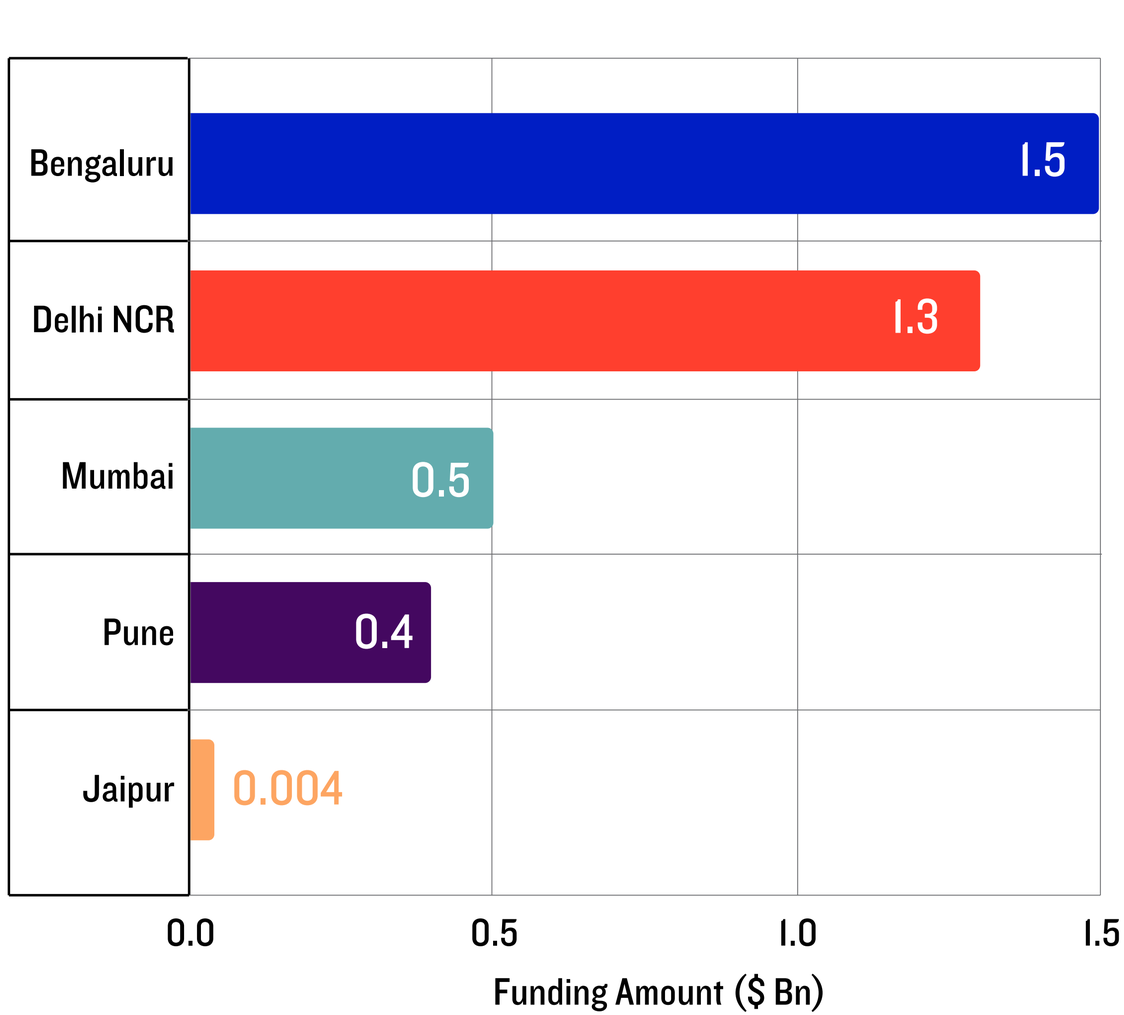
Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

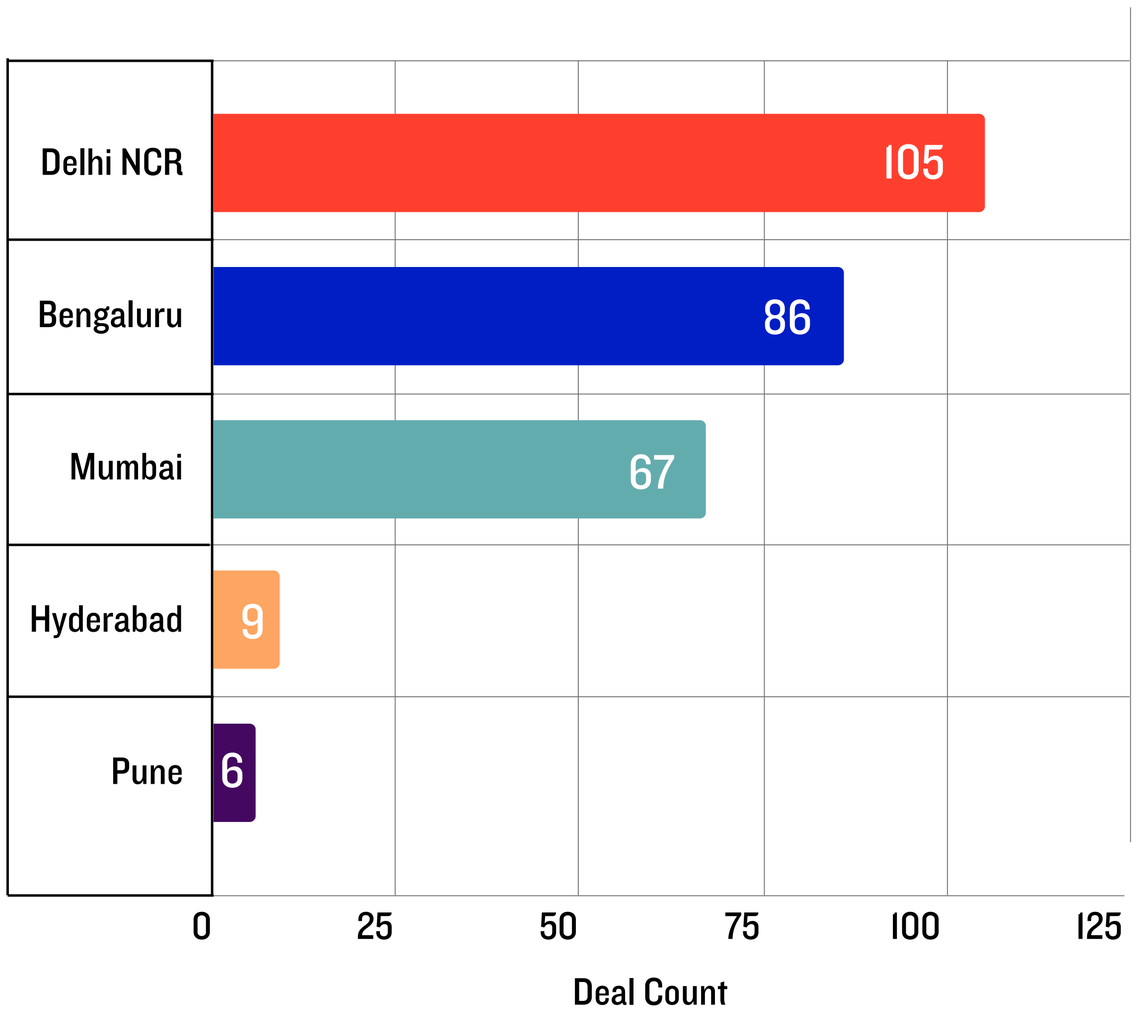
# Ecommerce Average Ticket Size: Late Stage Funding Worst Hit For Indian Startups In 2022

| Funding Stage | 2022 | 2021 | 2020 |
|---|---|---|---|
| Seed Stage | $3 Mn | $2.4 Mn | $787K |
| Growth Stage | $16 Mn | $20 Mn | $5 Mn |
| Late Stage | $66 Mn | $91 Mn | $31 Mn |

Source: Inc42
Note: 2022 data is as of 25th December

# Ecommerce Funding: Bengaluru Tops In Large Deals, Delhi NCR's Early Stage Ecosystem Flourish




Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

# Fintech Startup Ecosystem In India [2014 to 2022]

**$25 Bn**
Raised Across 1.3k Deals

**670+**
Funded Startups

**110**
Mergers And Acquisitions

**$1 Bn**
Total Funding In Seed Stage

**$8 Bn**
Total Funding In Growth Stage

**$15 Bn**
Total Funding In Late Stage

**Bengaluru**
Top Startup Hub

**Chennai**
Top Emerging Hub

Note: Based on Indian startup funding deals recorded between 1st January 2014 and 25th December 2022

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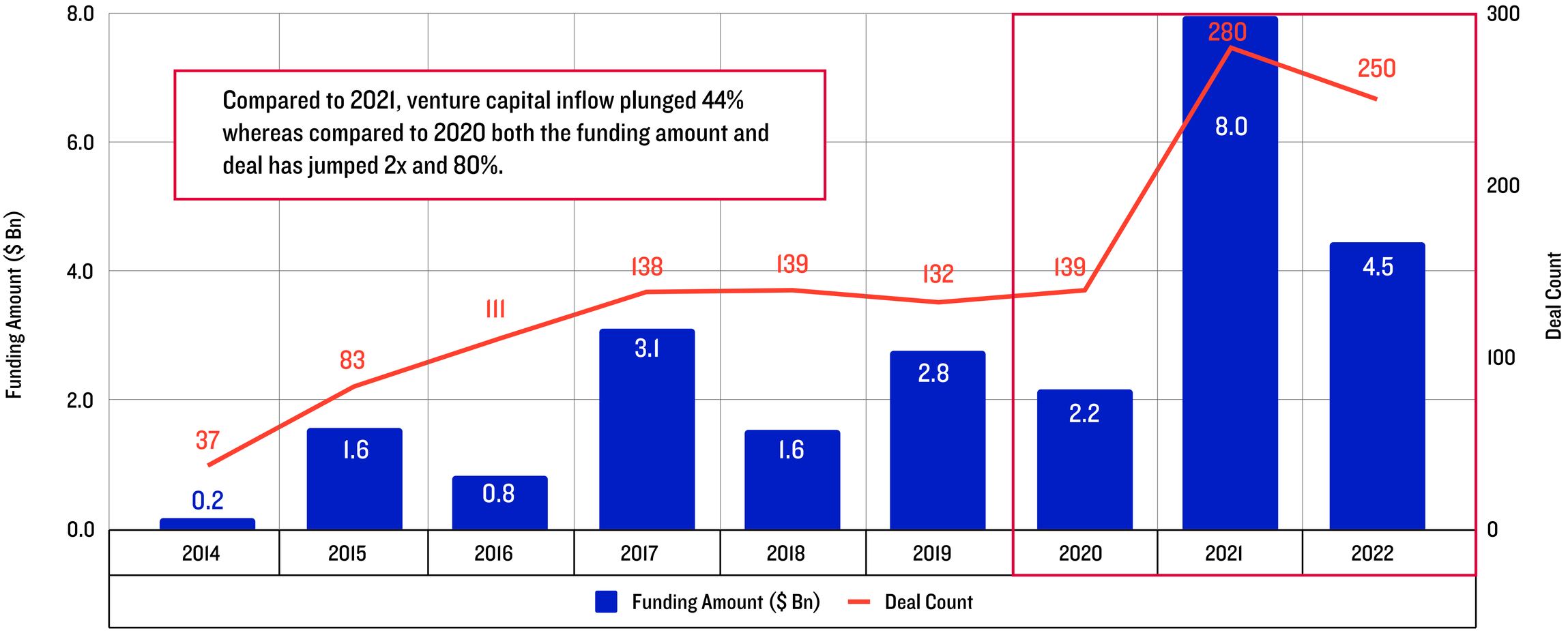
# In 2022, Indian Fintech Startup Funding Drops 44%




Source: Inc42
Note: 2022 data is as of 25th December

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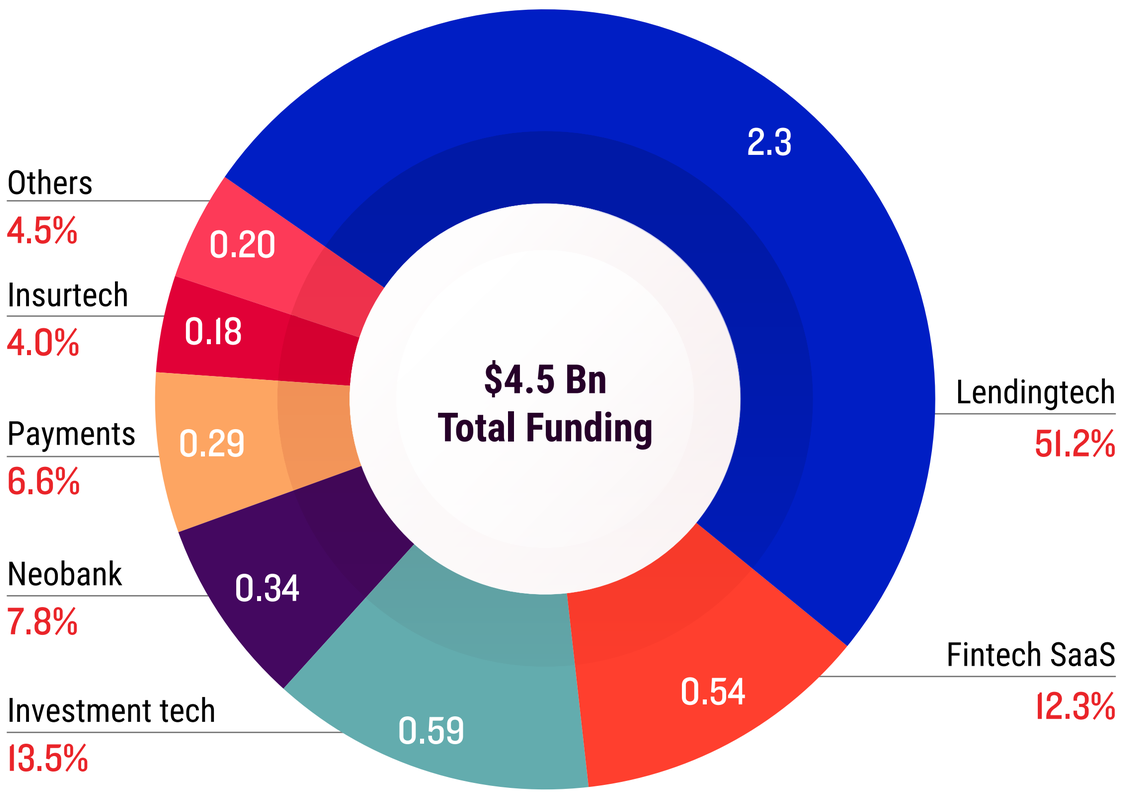
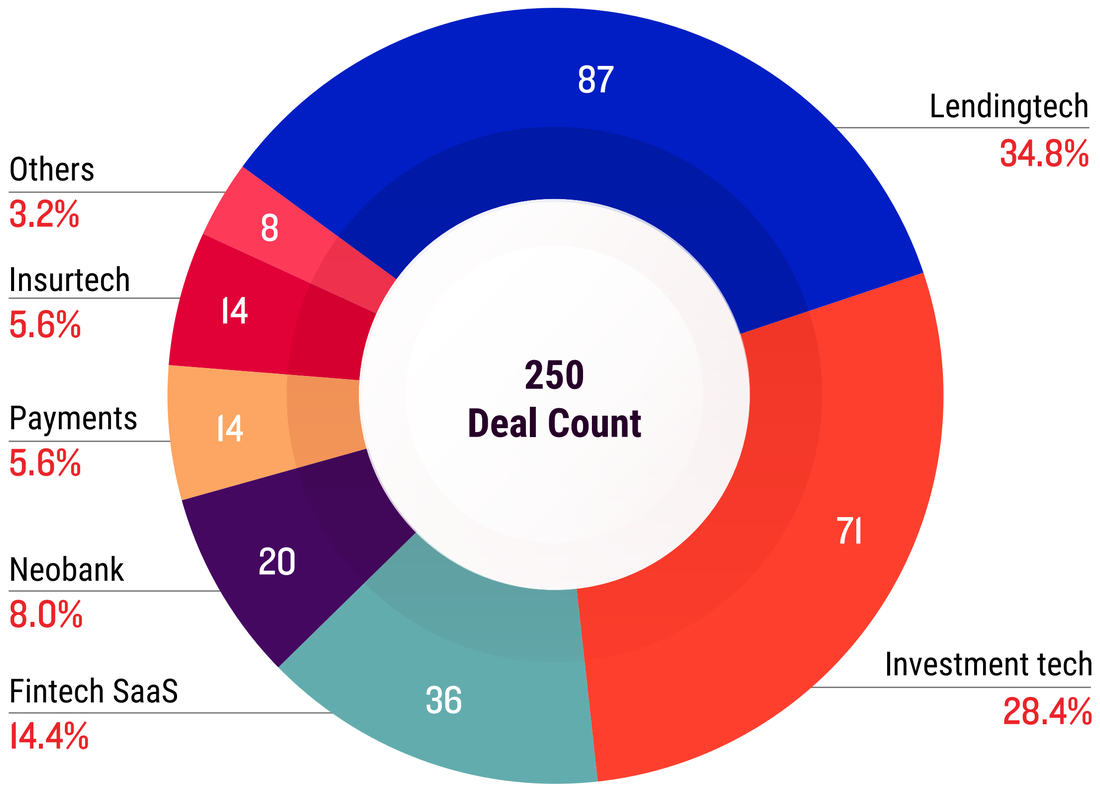
# Top Funded Fintech Sub-Sectors Of 2022




Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

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# The State Of Fintech Funding In 2022

| | Funding Amount (2022) | YoY Change % | Deal Count | YoY Change % | Average Ticket Size (2022) |
|---|---|---|---|---|---|
| Seed Stage | $357 Mn | 26% | 104 | -8% | $4 Mn |
| Growth Stage | $1.6 Bn | -46% | 67 | -16% | $25 Mn |
| Late Stage | $2.4 Bn | -49% | 48 | -14% | $51 Mn |
| Bridge Funding | $126 Mn | 48% | 31 | No Change | $5 Mn |

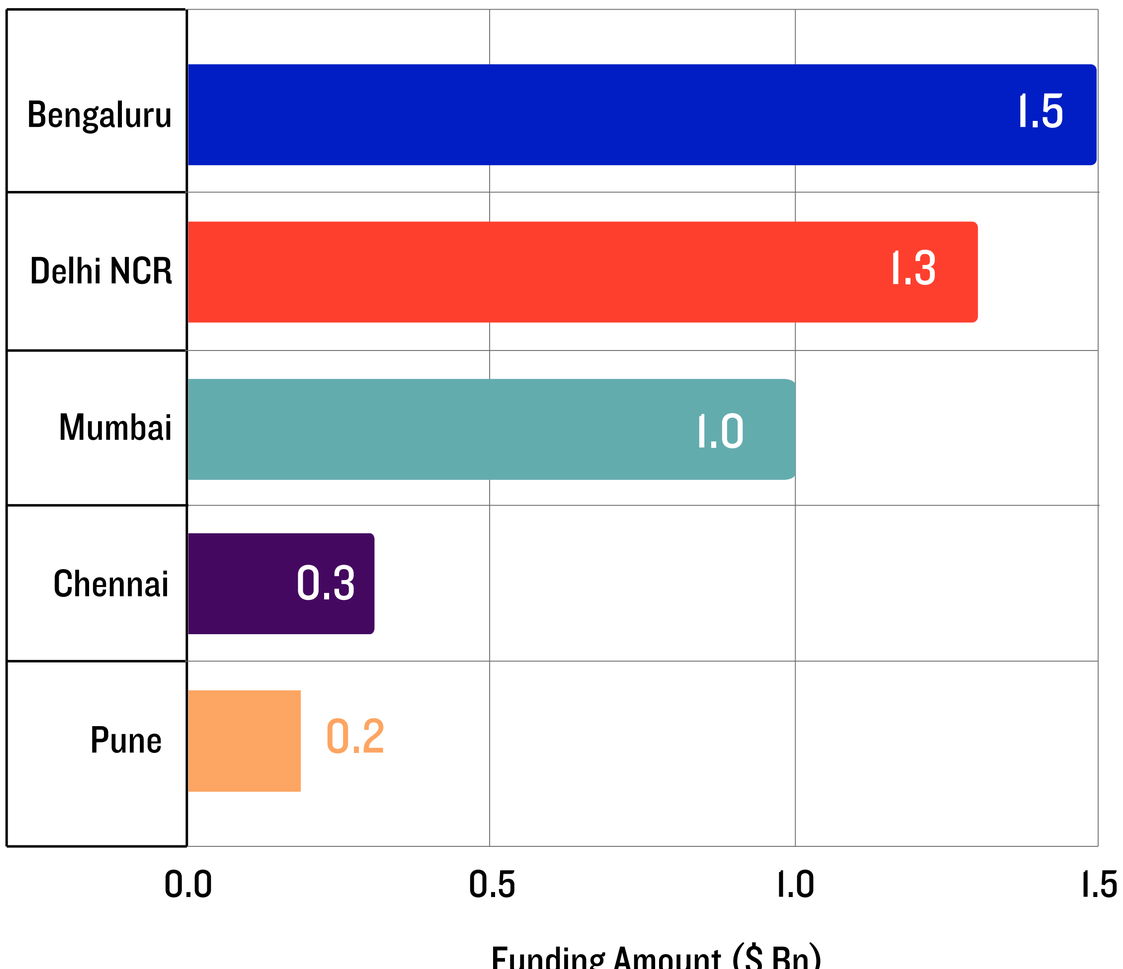
Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

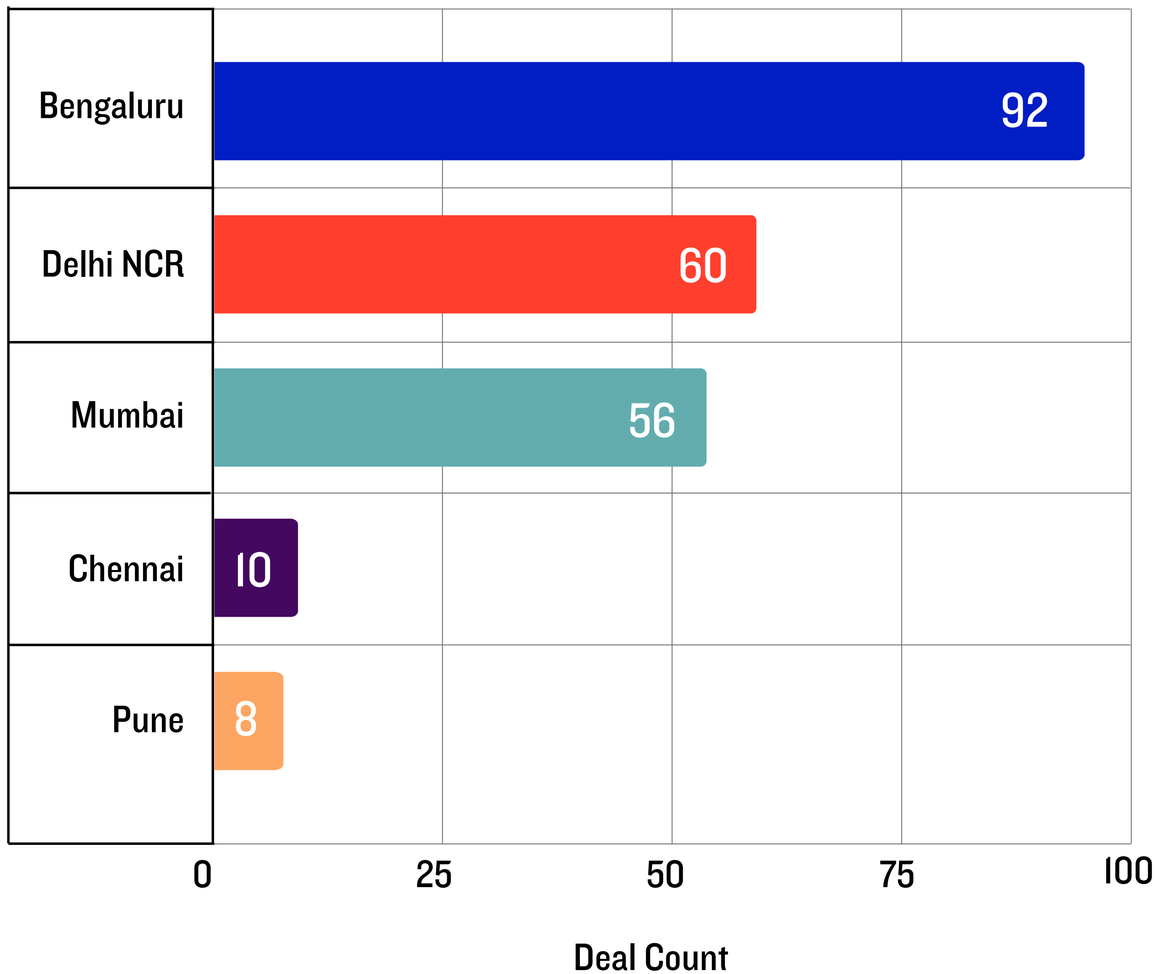
# Fintech Average Ticket Size: Seed Stage Deals Blooms, Late Stage Worst Hit

| Funding Stage | 2022 | 2021 | 2020 |
|---|---|---|---|
| Seed Stage | $4 Mn | $3.3 Mn | $2.6 Mn |
| Growth Stage | $25 Mn | $31 Mn | $13 Mn |
| Late Stage | $51 Mn | $86 Mn | $32 Mn |

Source: Inc42
Note: 2022 data is as of 25th December

# Bengaluru Emerged As The Undisputed Leader For Fintech Funding In 2022




Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

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# Enterprisetech Startup Ecosystem In India [2014 to 2022]

**$13 Bn**
Raised Across 1.5K Deals

**1K+**
Funded Startups

**230+**
Mergers And Acquisitions

**$933 Mn**
Total Funding In Seed Stage

**$4.7 Bn**
Total Funding In Growth Stage

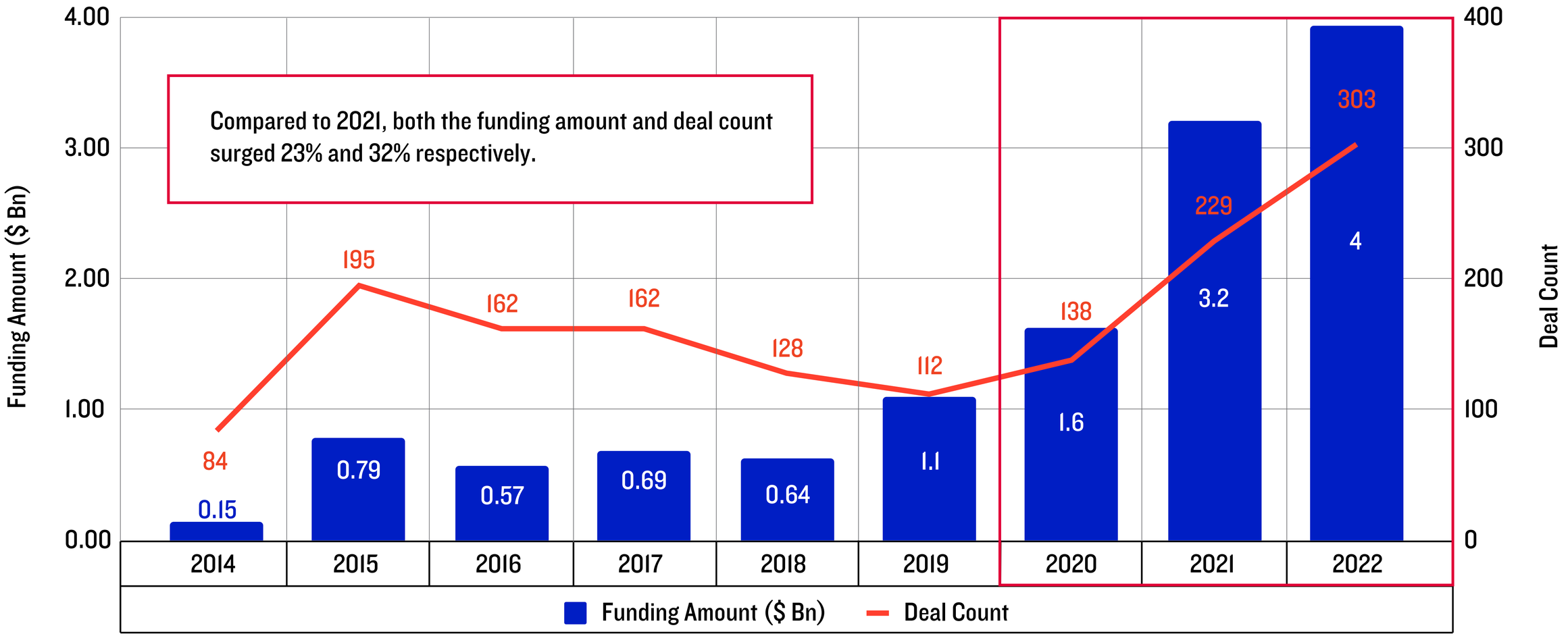
**$7 Bn**
Total Funding In Late Stage

**Bengaluru**
Top Startup Hub

**Chennai**
Top Emerging Hub

Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

# Despite Funding Winter Investors Remain Bullish On Indian Enterprisetech Startups




Source: Inc42
Note: 2022 data is as of 25th December

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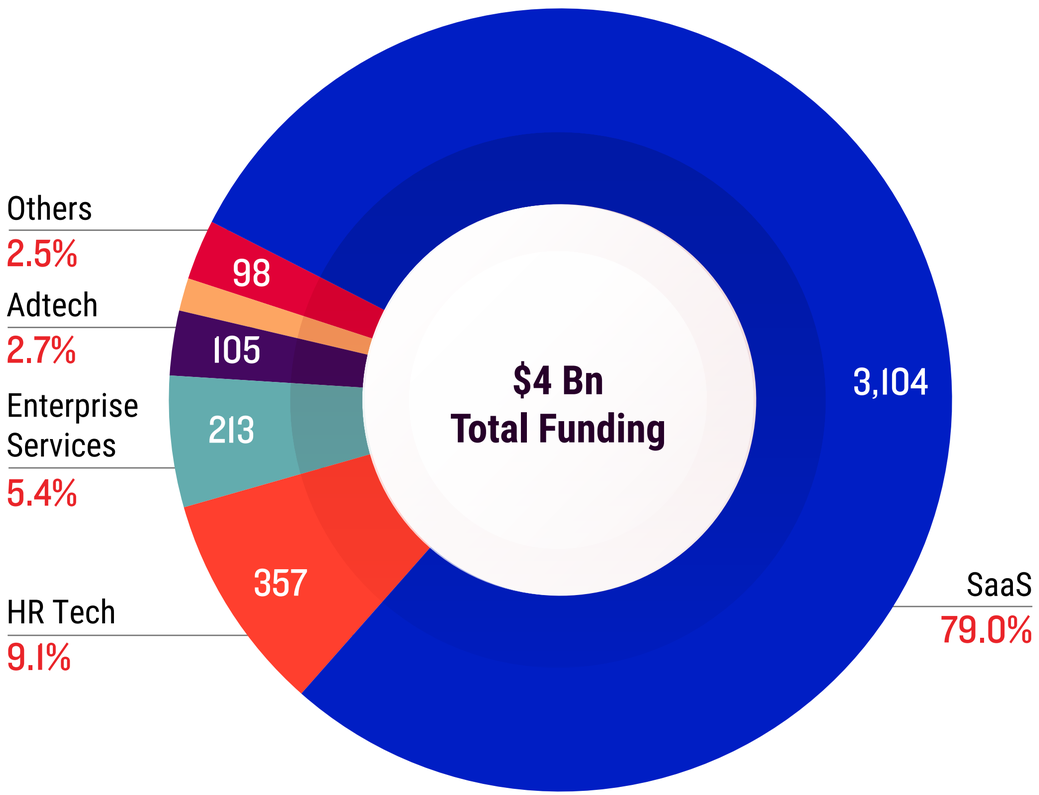
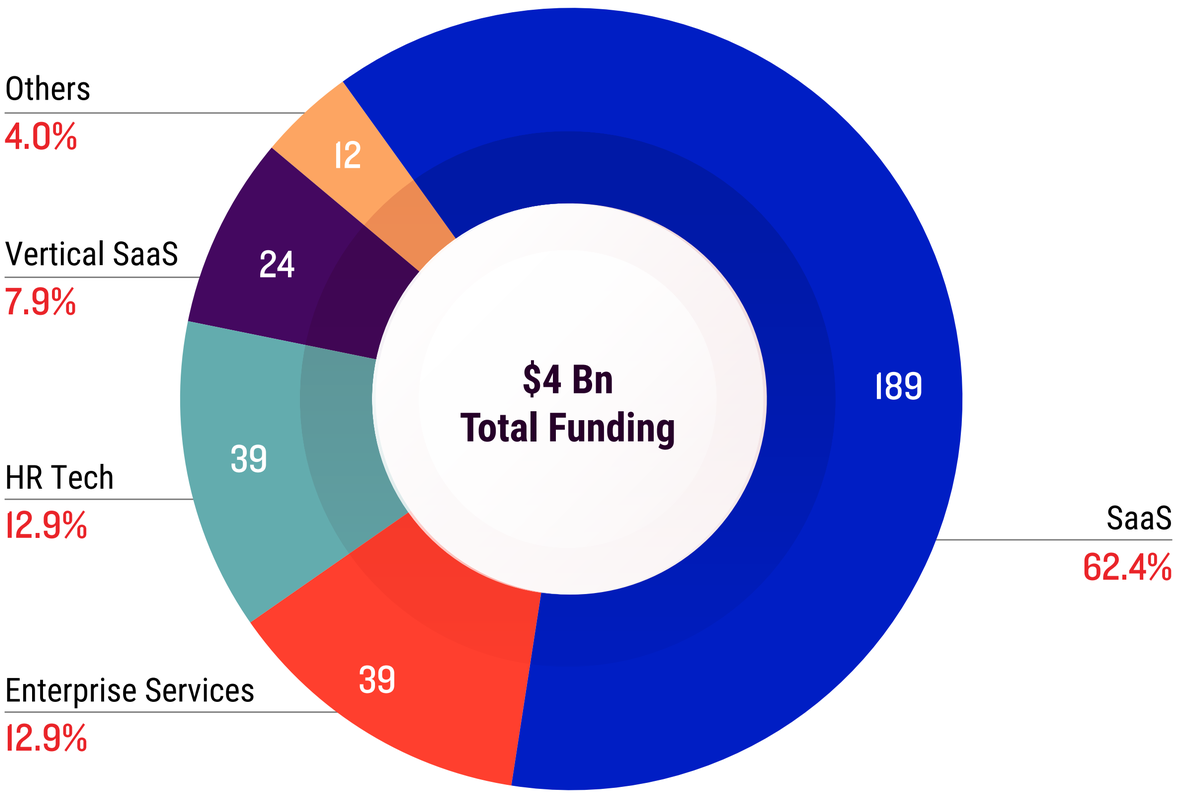
# Top Enterprisetech Sectors Of 2022




Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

# The State Of Enterprisetech Funding In India In 2022

| | Funding Amount (2022) | YoY Change % | Deal Count | YoY Change % | Average Ticket Size (2022) |
|---|---|---|---|---|---|
| Seed Stage | $444 Mn | 174% | 170 | 45% | $3.4 Mn |
| Growth Stage | $1.2 Bn | 5% | 72 | 29% | $17 Mn |
| Late Stage | $2.3 Bn | 21% | 25 | -4% | $98 Mn |
| Bridge Funding | $52 Mn | -12% | 36 | 20% | $1.7 Mn |

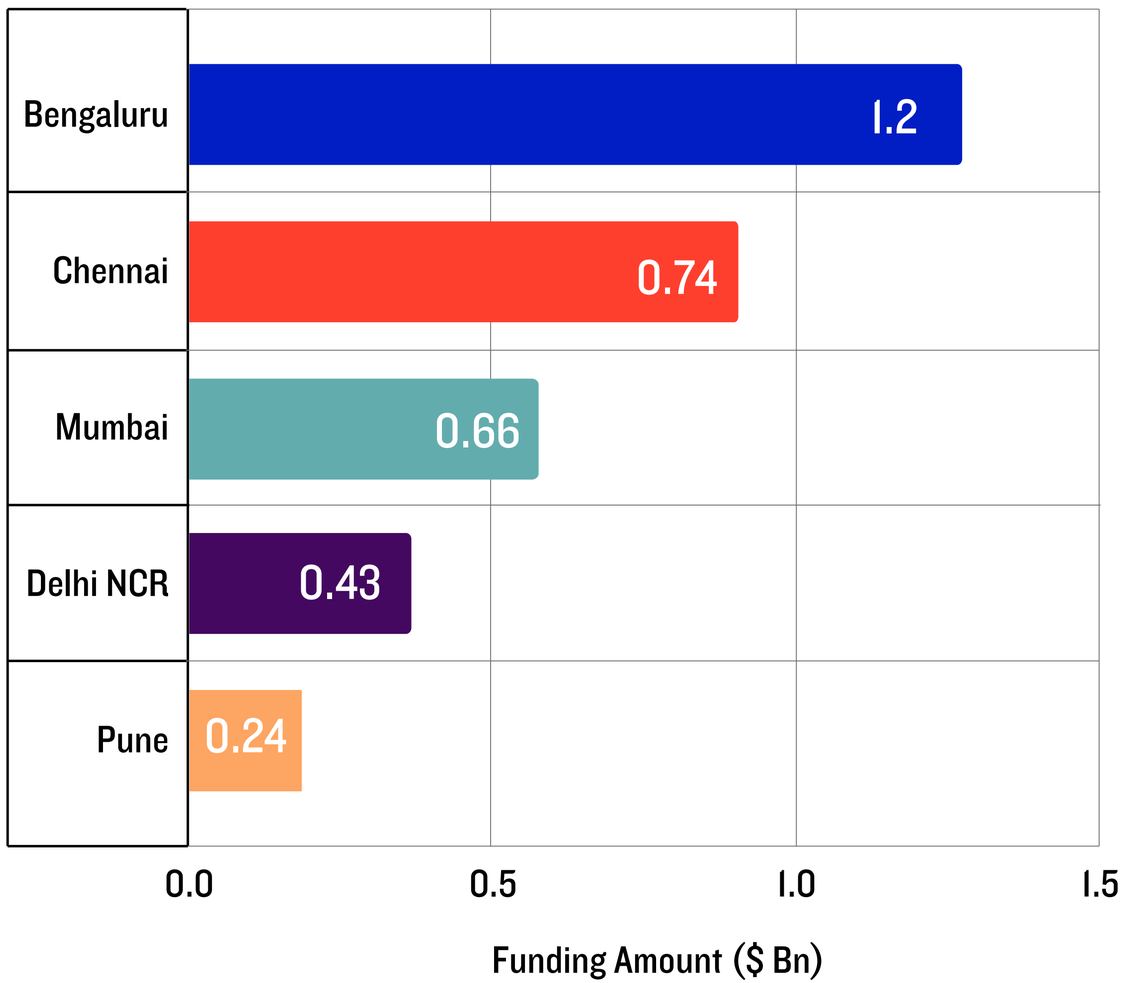
Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

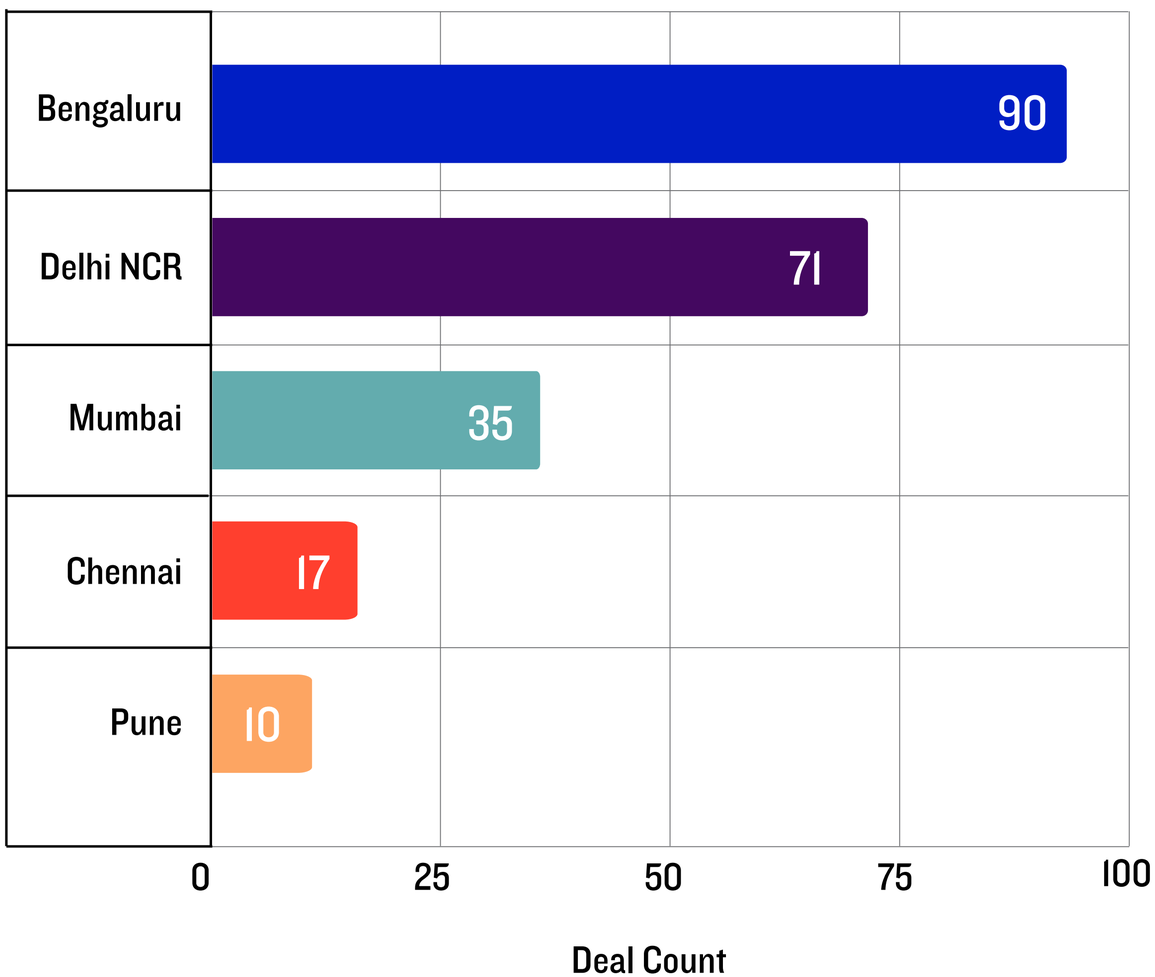
# Enterprisetech Average Ticket Size: Late Stage, Seed Stage Funding Record Jump

| Funding Stage | 2022 | 2021 | 2020 |
|---|---|---|---|
| Seed Stage | $3.4 Mn | $2 Mn | $2.5 Mn |
| Growth Stage | $17 Mn | $21 Mn | $12 Mn |
| Late Stage | $98 Mn | $72 Mn | $86 Mn |

Source: Inc42
Note: 2022 data is as of 25th December

# Enterprisetech Funding: Top Startup Hubs Of 2022




Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

# Top Startup Hubs Of 2022

| | Total Funding Amount | Deal Count | Top Sector | Most Funded Startup |
|---|---|---|---|---|
| Bengaluru | $11 Bn | 472 | Fintech | BYJU'S The Learning App |
| Delhi NCR | $5.2 Bn | 398 | Ecommerce | stashfin |
| Mumbai | $4.1 Bn | 258 | Ecommerce | upGrad |
| Chennai | $1.4 Bn | 63 | Enterprisetech | uniphore |
| Hyderabad | $584 Mn | 55 | Enterprisetech | smartron |
| Pune | $1.4 Bn | 43 | Enterprisetech | XPRESSBEES delivering happiness |
| Jaipur | $118 Mn | 18 | Ecommerce | FINOVA CAPITAL FINANCING DREAMS |
| Kolkata | $27 Mn | 12 | Ecommerce | WOW! momo |
| Ahmedabad | $97 Mn | 20 | Ecommerce | RENÉE |
| Indore | $43 Mn | 6 | Enterprisetech | DIRECT |

Source: Inc42 Green: Established startup hubs Yellow: Emerging startup hubs
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

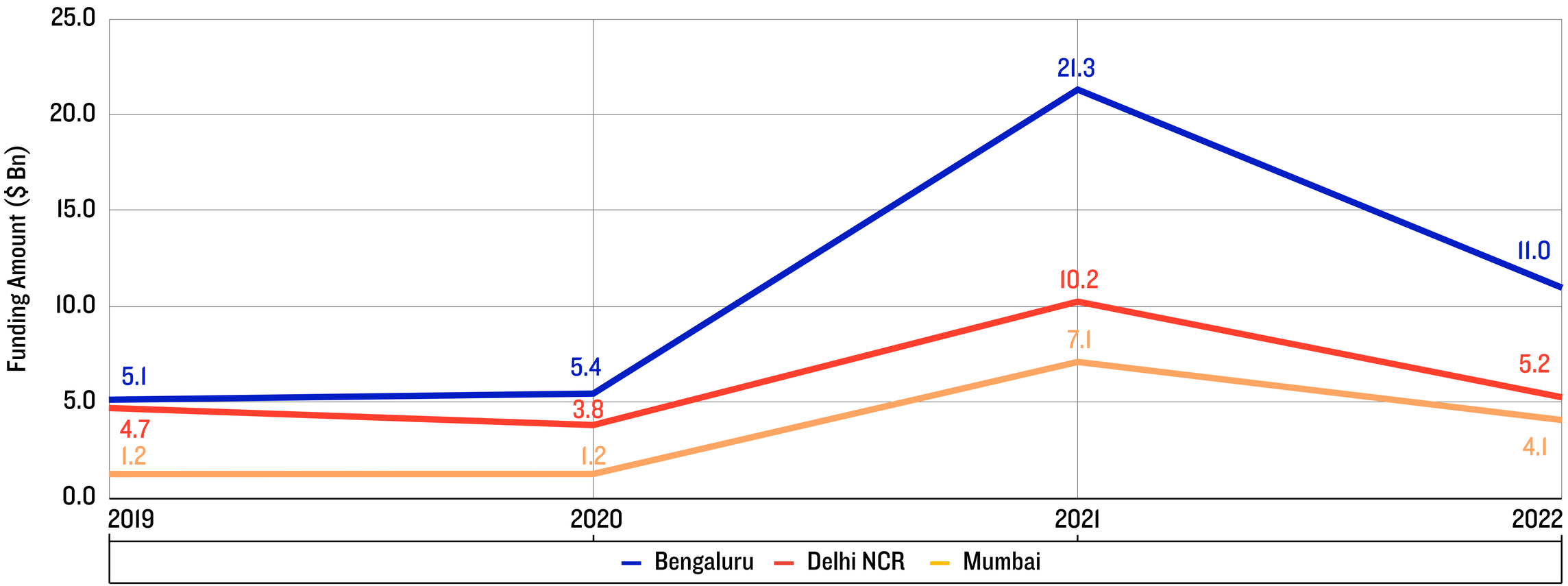
# Startup Investment Analysis Of Top 5 Indian Startup Hubs In 2022

| | Total Funding Amount | YoY Change | Deal Count | YoY Change | Average Ticket Size | YoY Change |
|---|---|---|---|---|---|---|
| Bengaluru | $11 Bn | -49% | 472 | -14% | $21 Mn | -23% |
| Delhi NCR | $5.2 Bn | -49% | 398 | -12% | $16 Mn | -27% |
| Mumbai | $4.1 Bn | 57% | 258 | 87% | $20 Mn | -19% |
| Chennai | $1.4 Bn | 182% | 63 | 129% | $25 Mn | 41% |
| Hyderabad | $584 Mn | 8% | 55 | 2% | $13 Mn | 8% |

Source: Inc42 Green: Established startup hubs Yellow: Emerging startup hubs

# Venture Capital Inflow Correction Evident Across All Top Three Hubs In India

Compared to 2021, funding inflow across Bengaluru, Delhi NCR and Mumbai startups plunged 48%, 49% and 42% respectively

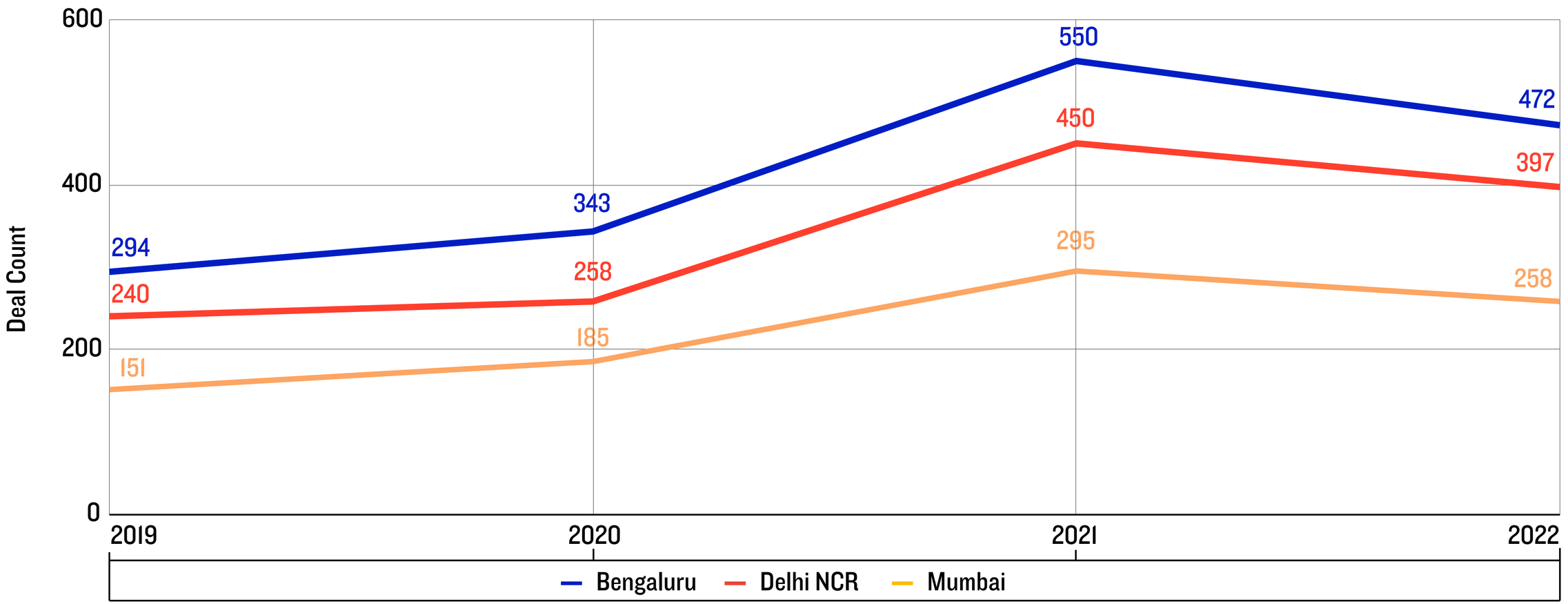



Source: Inc42
Note: 2022 data is as of 25th December

Inc42

# Startup Funding Deals Drops For All Startup Hubs

Compared to the past year deal count across Bengaluru, Delhi NCR and Mumbai plunged 14%, 12% and 13% respectively




Source: Inc42
Note: 2022 data is as of 25th December

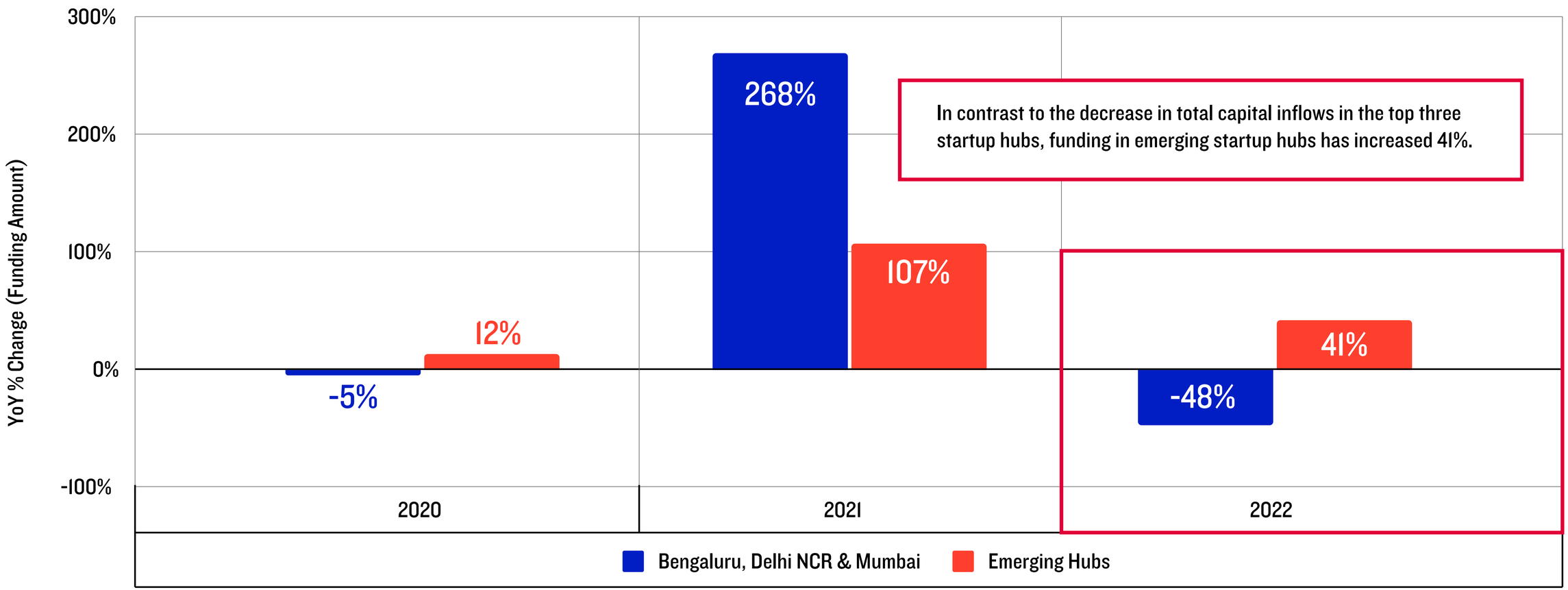
# Emerging Startup Hubs: Chennai Emerged As The Fastest Growing Startup Hub In India

| | Total Funding (2014 to 2022) | Deal Count (2014 to 2022) | 3-Year- Funding Amount CAGR | Notable Active Investors |
|---|---|---|---|---|
| Chennai | $4 Bn | 327 | 69% | TIGERGLOBAL, Chiratae Ventures, SEQUOIA, IRON PILLAR |
| Pune | $3.9 Bn | 303 | 46% | B Capital Group, ELEVATION, 8° EIGHT ROADS, kalaari capital |
| Hyderabad | $2.7 Bn | 305 | 53% | STEADVIEW CAPITAL MANAGEMENT, TIGERGLOBAL, TPG, Accel |
| Ahmedabad | $796 Mn | 125 | 28% | alteria capital, ah! ventures, Saama Capital, Indian Angel Network Fund |
| Jaipur | $1.1 Bn | 92 | -13% | SEQUOIA, Hillhouse Capital, IFC, WARBURG PINCUS |

Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January 2014 and 25th December 2022

# Emerging Startup Hubs Record 41% Jump In Startup Funding

This comes at a time when overall startup funding went down by 45% and top three hubs recorded 48% downfall in startup funding




Source: Inc42
Note: 2022 data is as of 25th December

Inc42

# Major State Policies Announced In 2022

## DELHI

- Launched Delhi Startup Policy

## KARNATAKA

- Announced seed funding up to INR 50 Lakh each for 200 startups
- Announced INR 5,000 Cr subsidy under the Electronics System Design and Manufacturing (ESDM) policy
- To build a dedicated startup park near the Kempegowda International Airport in Bengaluru
- Building six new technology and innovation hubs
- Announced the VentuRISE Global Startup Challenge to help entrepreneurs in manufacturing and sustainability-related sectors

## GUJARAT

- Launched the Student Startup and Innovation Policy (SSIP) 2.0 to support school students
- The policy aims to cover 50 Lakh students across 1K higher educational institutions and 10K schools focussing on innovation and entrepreneurship.

## MADHYA PRADESH

- Launched the state government's StartUp Policy 2022
- Launched the state's startup portal
- Set up Madhya Pradesh Laghu Udyog Nigam as an exclusive venture capital to help startups

## KERALA

- Launched the Open Fintech Accelerator
- Released the draft industrial policy where the state will focus on its strengths and foster investments in sunrise sectors

## TELANGANA

- Launched the Startup Telangana portal as a one-stop destination for the state's startup ecosystem
- Telangana State Innovation Cell (TSIC) launched incentives for innovations and startups with rural impact, including INR 30 Lakh for seed, prototype, pilot and procurement grants
- Inaugurated the world's largest innovation campus with a total built-up area of more than 5.82 Lakh sq. ft.
- Inaugurated the world's largest innovation campus with a total built-up area of more than 5.82 Lakh sq. ft.

## MAHARASHTRA

- Organised the Maharashtra Startup Yatra
- Launched an INR 200 Cr fund to invest in women-led startups
- Signed an MoU with Global Alliance for Mass Entrepreneurship (GAME) to promote startups and entrepreneurship in the state

## UTTAR PRADESH

- Revamped its startup policy by adding more incentives and financial sops to promote ease of doing business for new startups
- Increased the grant of startup seed capital from INR 5 Lakh to INR 7.5 Lakh
- The monthly sustenance allowance for startups has been increased from INR 15K to INR 17.5K

# The State Of Startup Funding Across Stages

| | Total Amount (2022) | Deal Count (2022) | Average Ticket Size ($ Mn) | 5-Year- CAGR (Funding Amount) |
|---|---|---|---|---|
| **Seed Stage** | $2 Bn | 758 | $2.1 Mn | 59% |
| **Growth Stage** | $7.8 Bn | 354 | $22 Mn | 24% |
| **Late Stage** | $15 Bn | 192 | $70 Mn | 7% |
| **Bridge Funding** | $709 Mn | 215 | $3.3 Mn | 82% |

Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January and 25th December 2022

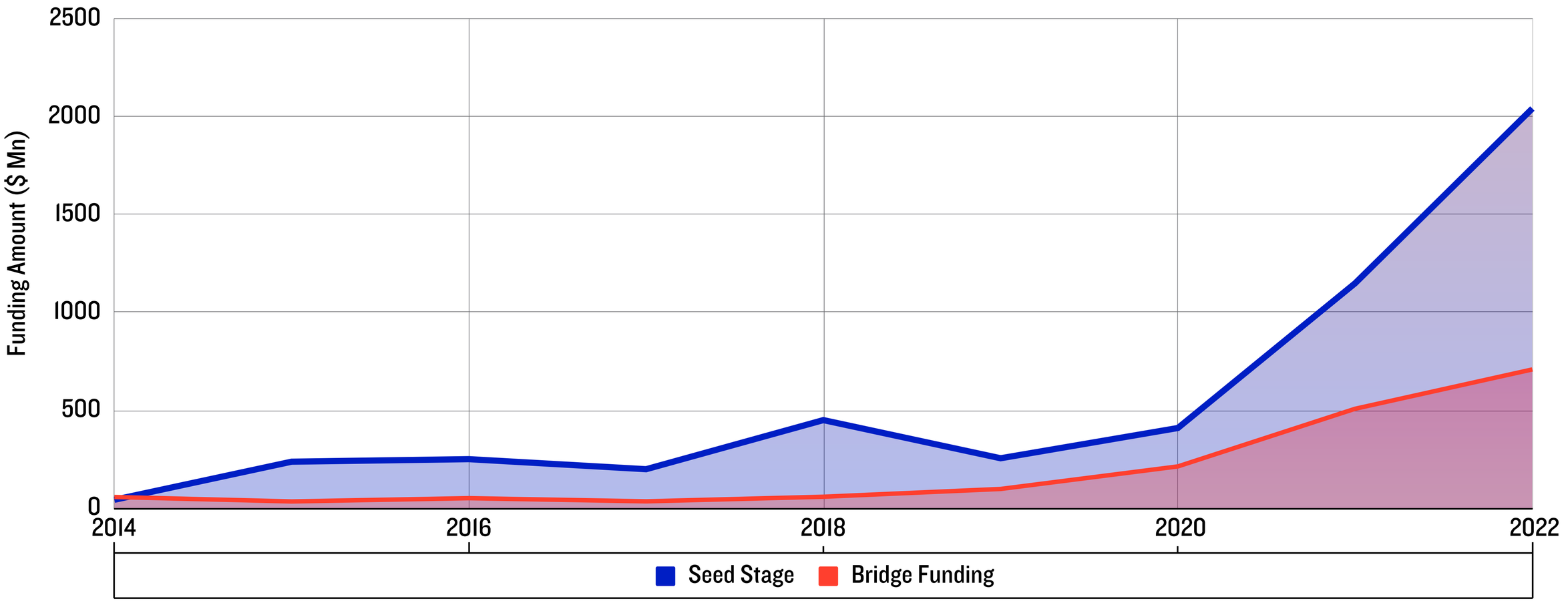
# Seed Stage & Bridge Funding Analysis: 2014 to 2022

| | Seed Stage | Bridge Funding |
|---|---|---|
| Total Funding | $5 Bn | $1.8 Bn |
| Deal Count | 4.5K | 1.1K |
| Top Sectors | Enterprisetech | Ecommerce |
| Top Hub | Bengaluru | Delhi NCR |
| Top Emerging Hub | Hyderabad | Hyderabad |

Source: Inc42
Note: Based on Indian startup funding deals recorded between Ist January 2014 and 25th December 2022

# Seed Stage & Bridge Funding Rise Despite The Bearish Sentiment In 2022

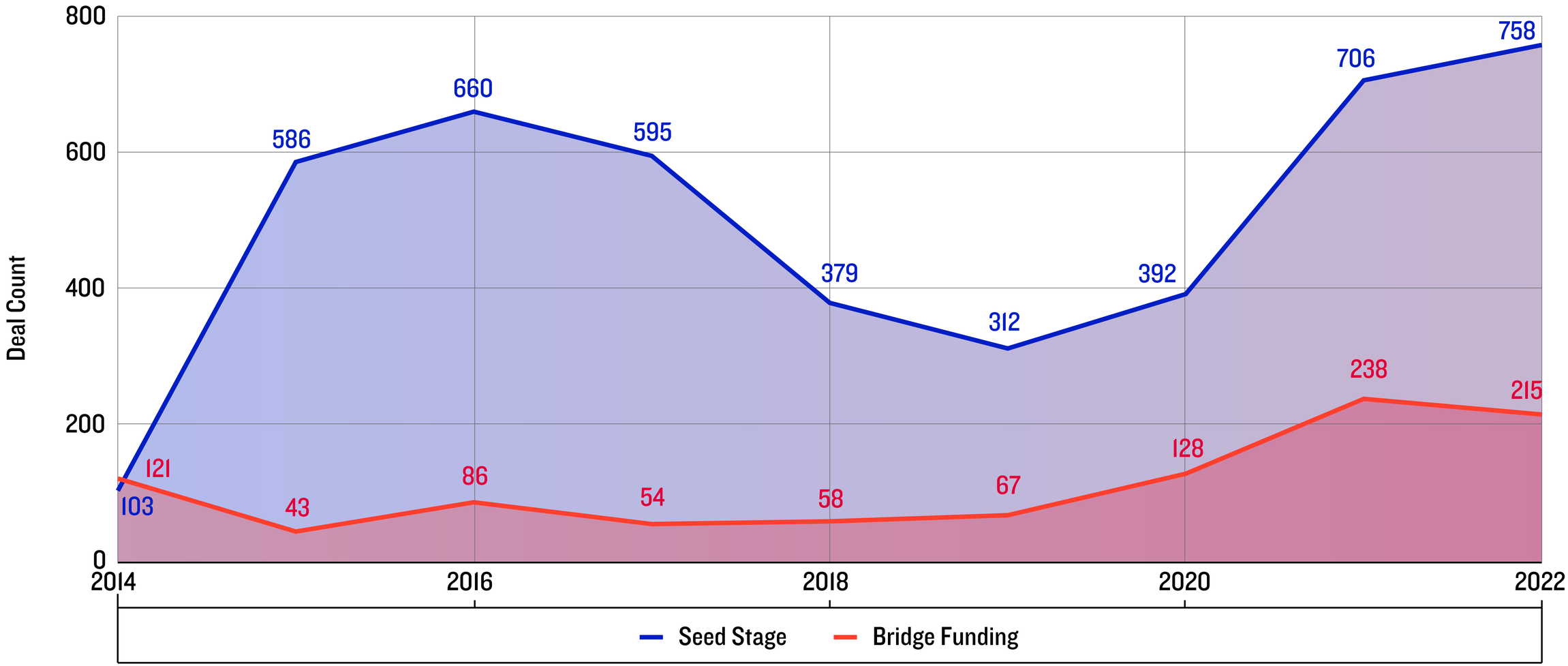
Almost 41% of the total seed funding ($5 Bn) raised by Indian startup ecosystem since 2014, was secured in 2022




Source: Inc42
Note: 2022 data is as of 25th December

Inc42

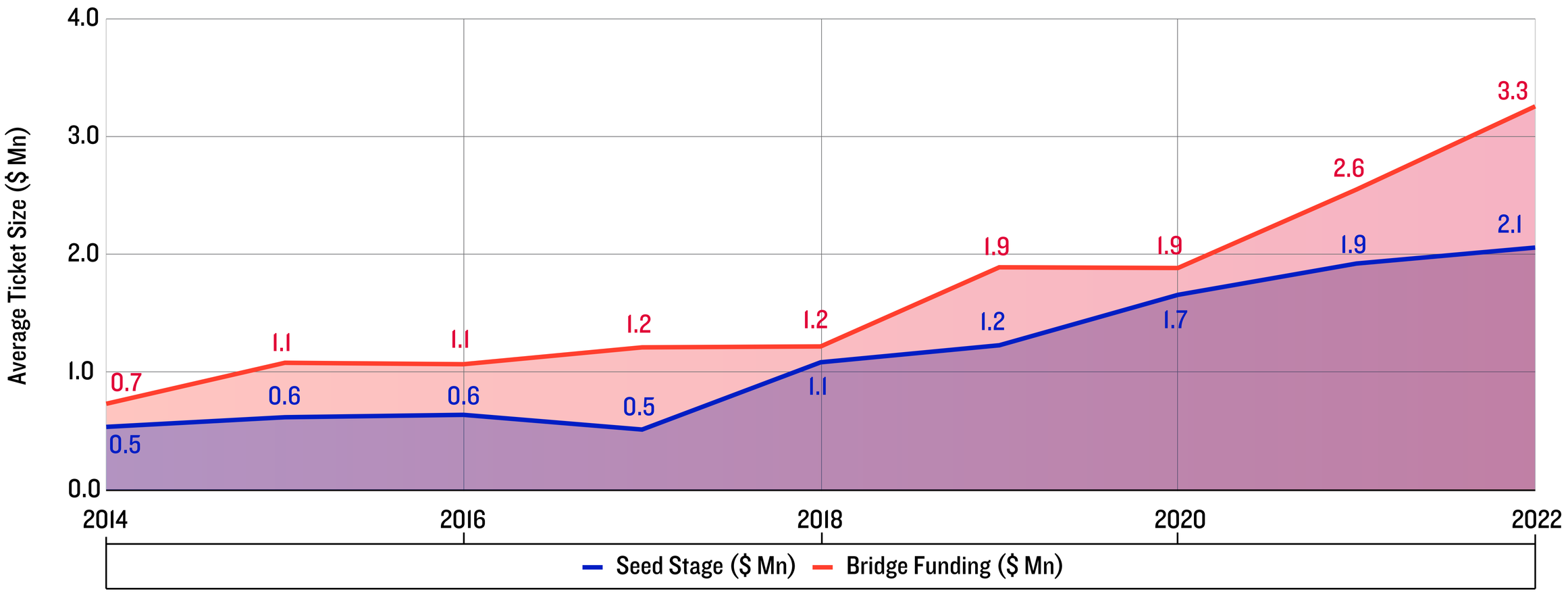
# Seed Stage Deal Count Touch All-Time-High In 2022




Source: Inc42
Note: 2022 data is as of 25th December

# Seed Stage & Bridge Funding Average Ticket Size Touch All Time High In 2022

Despite a decline in growth and late stage funding for Indian startups, seed and bridge funding saw a significant increase of 27% and 11%, respectively, in 2022




Source: Inc42
Note: 2022 data is as of 25th December

Inc42

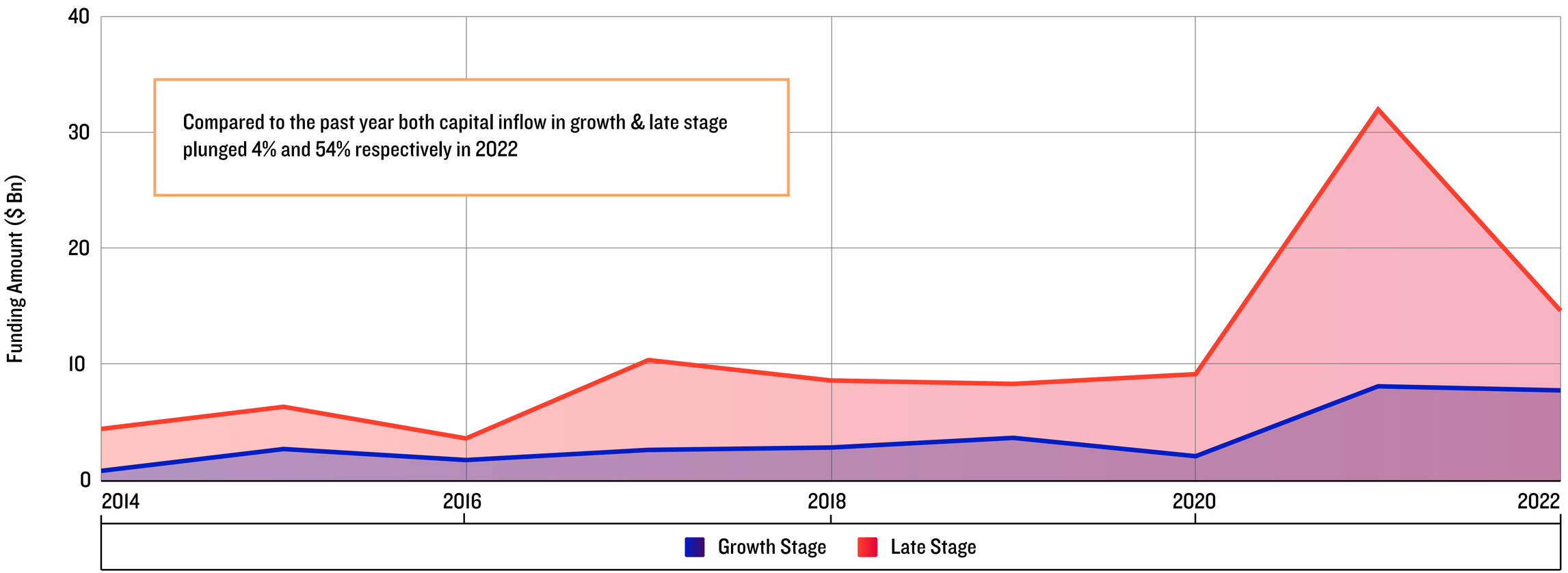
# Growth & Late Stage Analysis: 2014 to 2022

| | Growth Stage | Late Stage |
|---|---|---|
| Total Funding | $32 Bn | $97 Bn |
| Deal Count | 2.4K | 1.2K |
| Top Sectors | Fintech | Ecommerce |
| Top Hub | Bengaluru | Bengaluru |
| Top Emerging Hub | Chennai | Chennai |

Note: Based on Indian startup funding deals recorded between Ist January 2014 and 25th December 2022

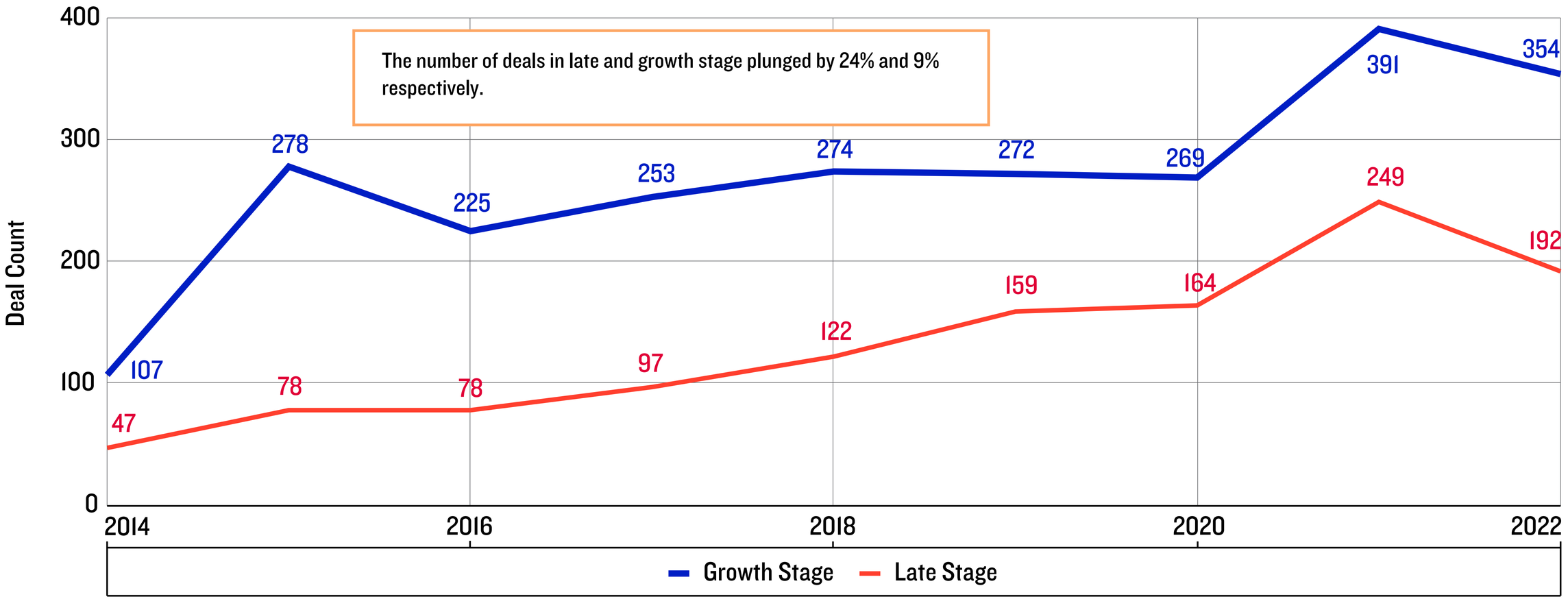
# Both Growth & Late Stage Funding Plunged For Indian Startups In 2022

The decrease in mega deals and reduced participation by SoftBank and Tiger Global played a major role in the decline of late stage funding for Indian startups.




Source: Inc42
Note: 2022 data is as of 25th December

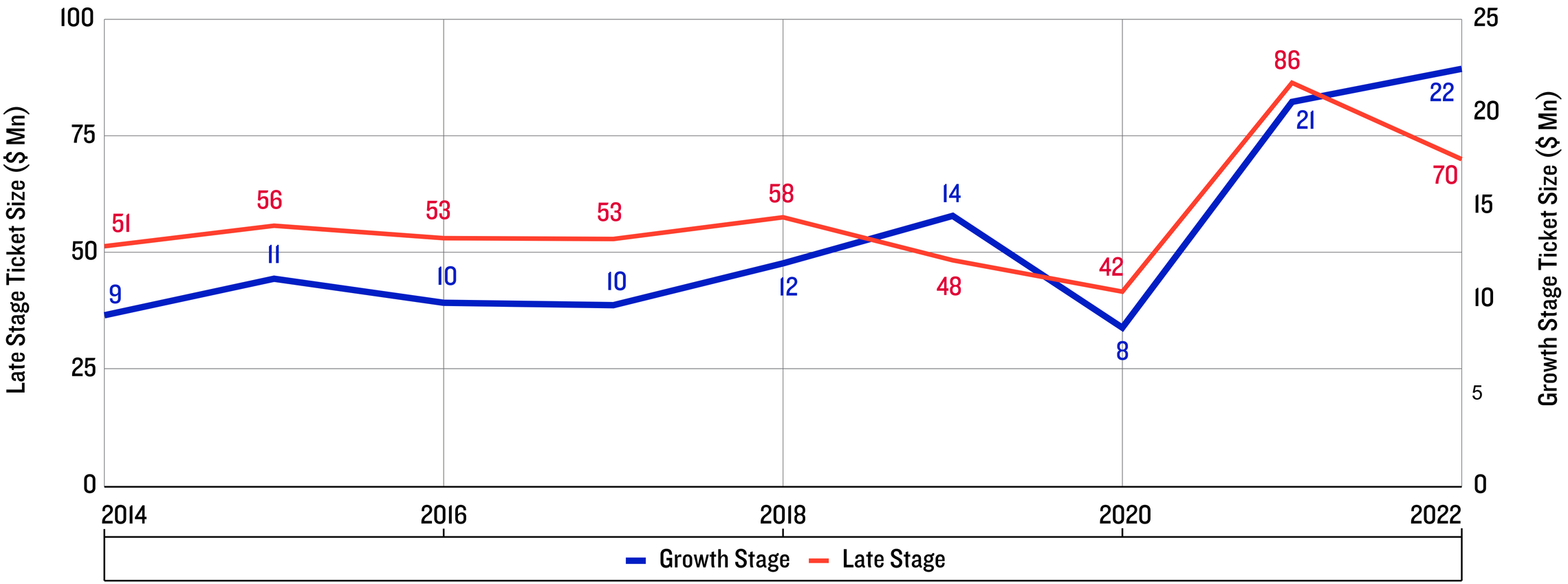
# Late Stage Deal Count Witnessed Bigger Correction As Compared to Growth In 2022




Source: Inc42
Note: 2022 data is as of 25th December

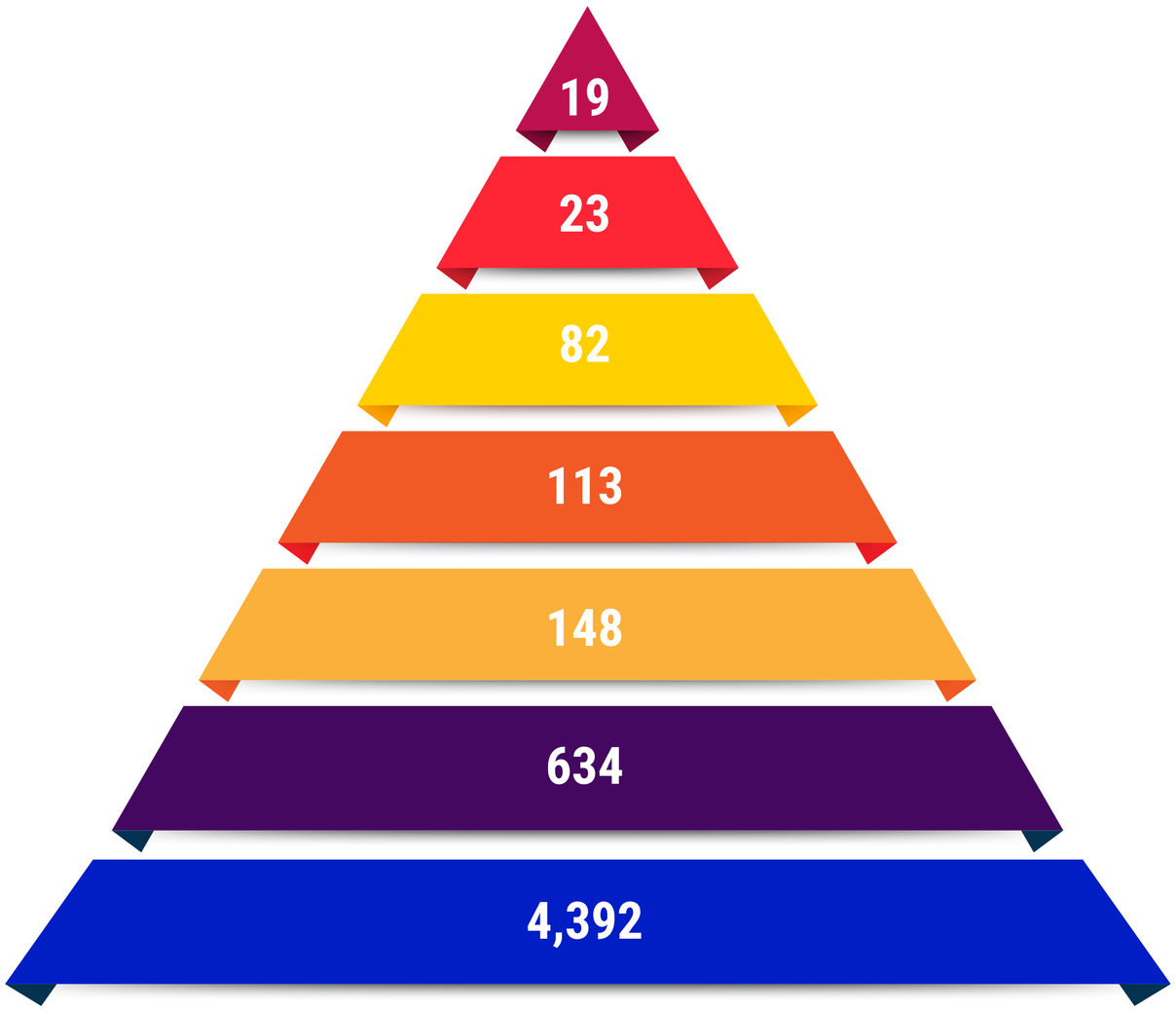
# Average Ticket Size For Late Stage Funding Deals Dropped By 19% In 2022

Although the number of growth funding deals decreased, the average size of these investments increased by 9% in 2022




Source: Inc42
Note: 2022 data is as of 25th December

# Funding Raised By Indian Startups




| | |
|---|---|
| $1 Bn and above | 0.4% |
| $500 Mn to $999 Mn | 0.4% |
| $200 Mn to $499 Mn | 1.5% |
| $100 to $199 Mn | 2.1% |
| $50 to 100 Mn | 2.7% |
| $10 to 49 Mn | 12% |
| Less than $10 Mn | 81% |

% of the total 5,411 funded startups

Note: Based on Indian startup funding deals recorded between Ist January 2014 and 25th December 2022

Inc42

# Gender Diversity: The State Of Funding In 2022

**$2.4 Bn**

Total Funding Raised By Women Led Startups In 2022

**203**

Unique Women Led Startups Funded In 2022

**$132 Mn**

Raised In Seed Stage

**$651 Mn**

Raised In Growth Stage

**$1.6 Bn**

Raised In Late Stage

**Delhi NCR**

Hub With The Most Women Led Startups

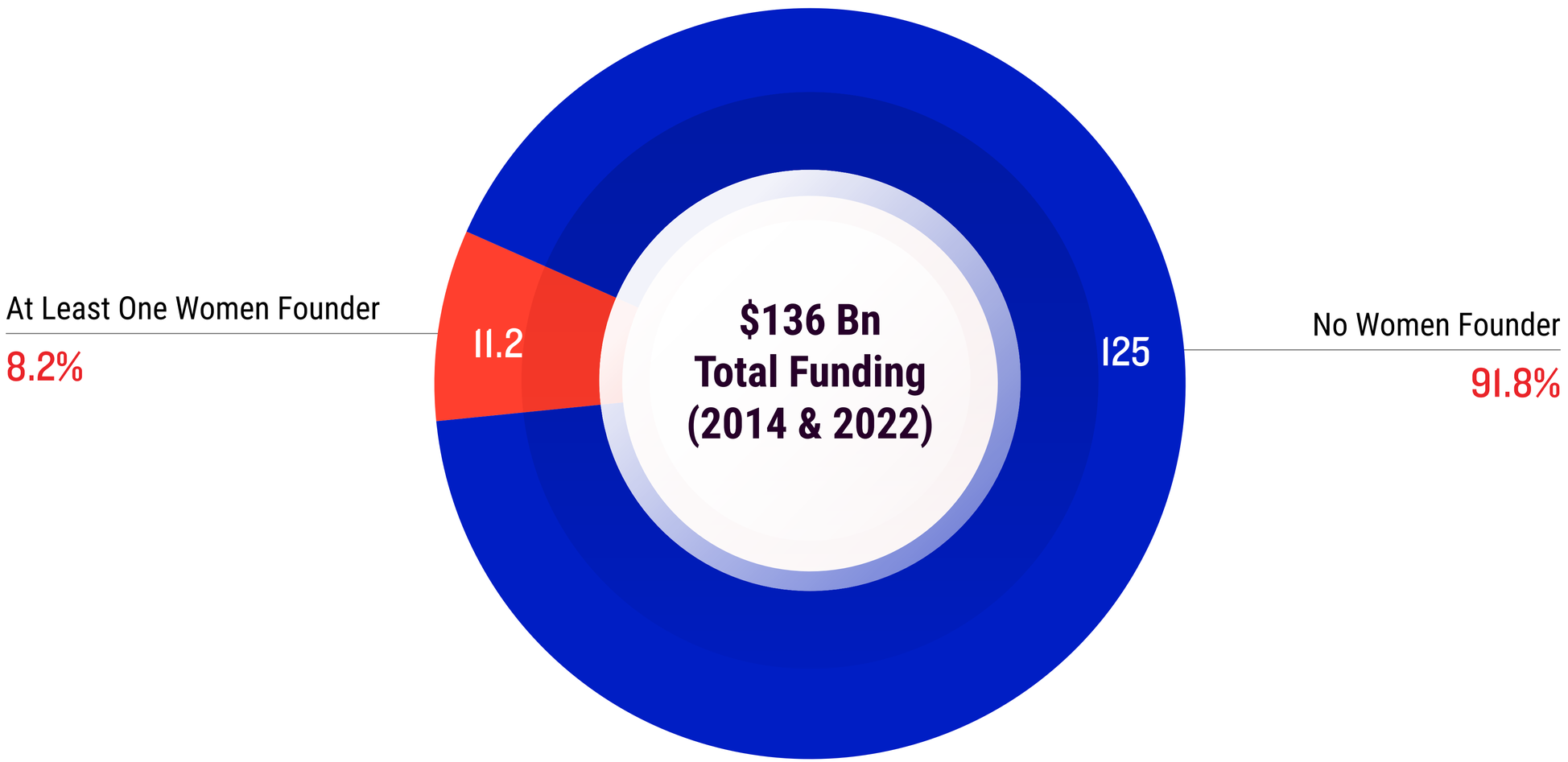
**Ecommerce**

Sector With Most Women Led Funded Startups

**9.6%**

Share Of Women Led Startups In Overall Funding In 2022

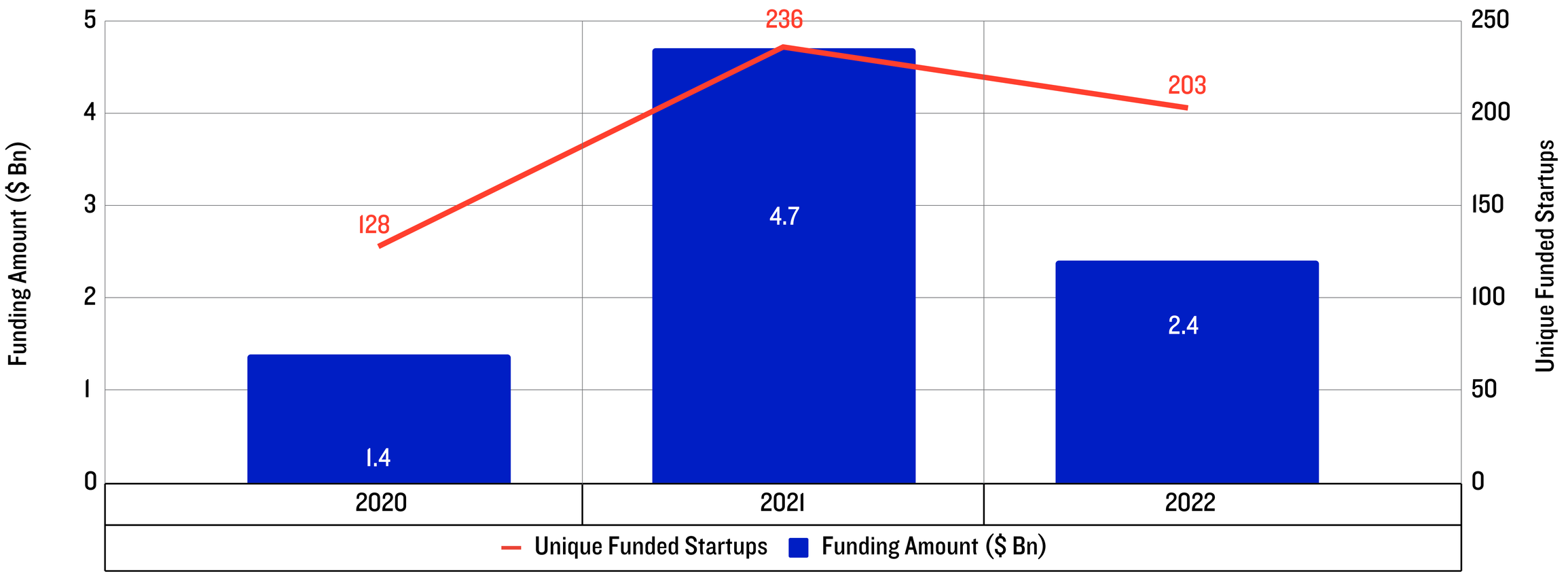
# Women Led Startups Make Only 8% Of The Total Venture Capital Inflow In Indian Startups




Source: Inc42
Note: Based on Indian startup funding data recorded between Ist January 2014 and 25th December 2022

# $2.4 Bn Raised By 200+ Women Led Startups In 2022

Compared to 2021, both the funding amount and deal count plunged 49% and 14% respectively




Source: Inc42
Note: 2022 data is as of 25th December

Inc42

# Funding In Women Led Startups Went Down Across Stages In 2022

| | Funding Amount (2022) | YoY Change % | Deal Count | YoY Change % |
|---|---|---|---|---|
| Seed Stage | $133 Mn | -38% | 124 | -12% |
| Growth Stage | $651 Mn | No Change | 36 | -35% |
| Late Stage | $1.6 Bn | -58% | 14 | -44% |
| Bridge Funding | $51 Mn | -37% | 37 | -12% |

Source: Inc42
Note: 2022 data is as of 25th December

# Women Led Startups: Sectors Which Attracted Most Funding In 2022

| | Funding Amount (2022) | YoY Change | Deal Count (2022) | YoY Change |
|---|---|---|---|---|
| Ecommerce | $199 Mn | -82% | 75 | -5% |
| Enterprisetech | $388 Mn | 65% | 35 | 25% |
| Fintech | $394 Mn | -21% | 24 | -38% |
| Healthtech | $127 Mn | 78% | 17 | -41% |
| Edtech | $923 Mn | -63% | 14 | -64% |

Source: Inc42
Note: 2022 data is as of 25th December

# M&A Trends In Indian Startups [2014 to 2022]

**1.2K**

Mergers And Acquisitions Recorded

**$6.4 Bn+**

Spent On M&As

**240**

Highest Number Of M&As Recorded In 2022

**Ecommerce**

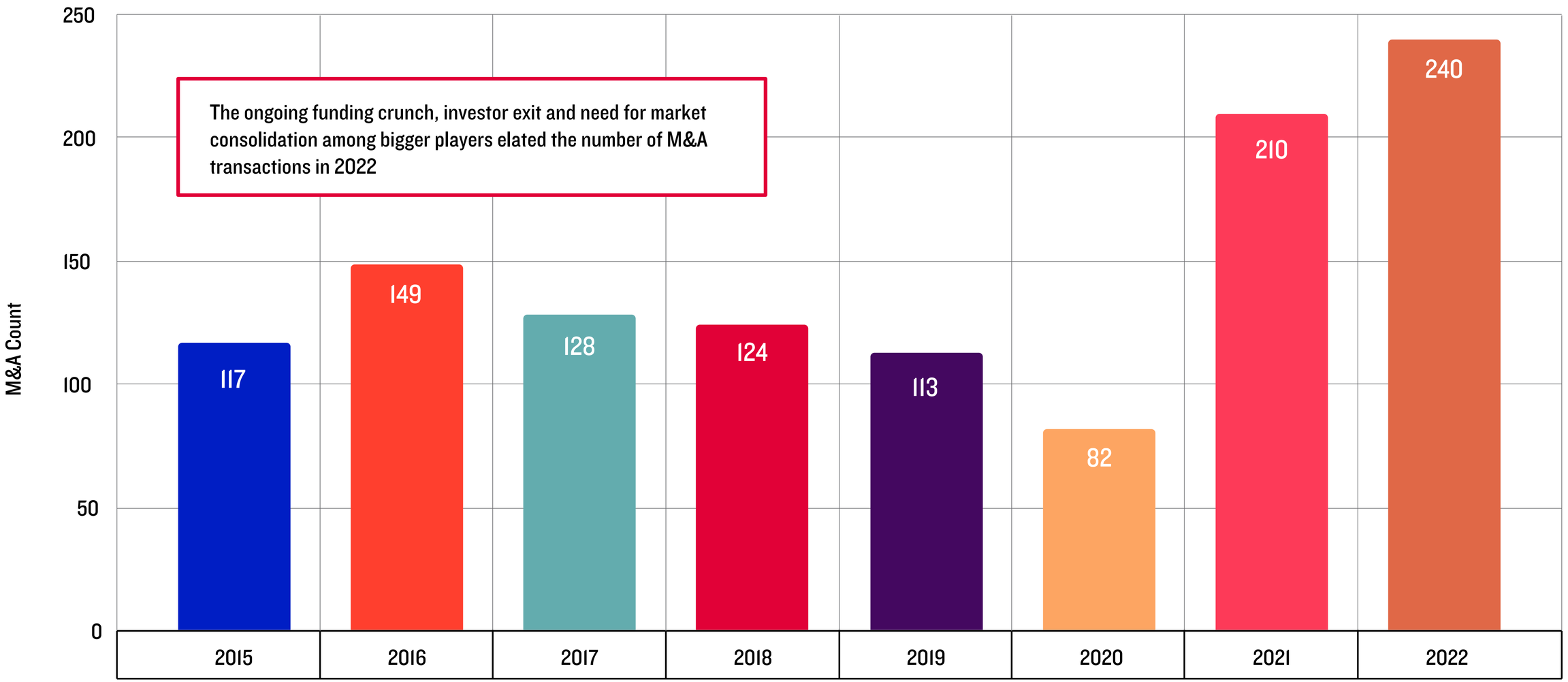
Sector With Highest Number Of M&As

**Bengaluru**

Hub With The Highest Number Of M&A Transactions

Note: Based on Indian startup funding deals recorded between Ist January 2014 and 25th December 2022

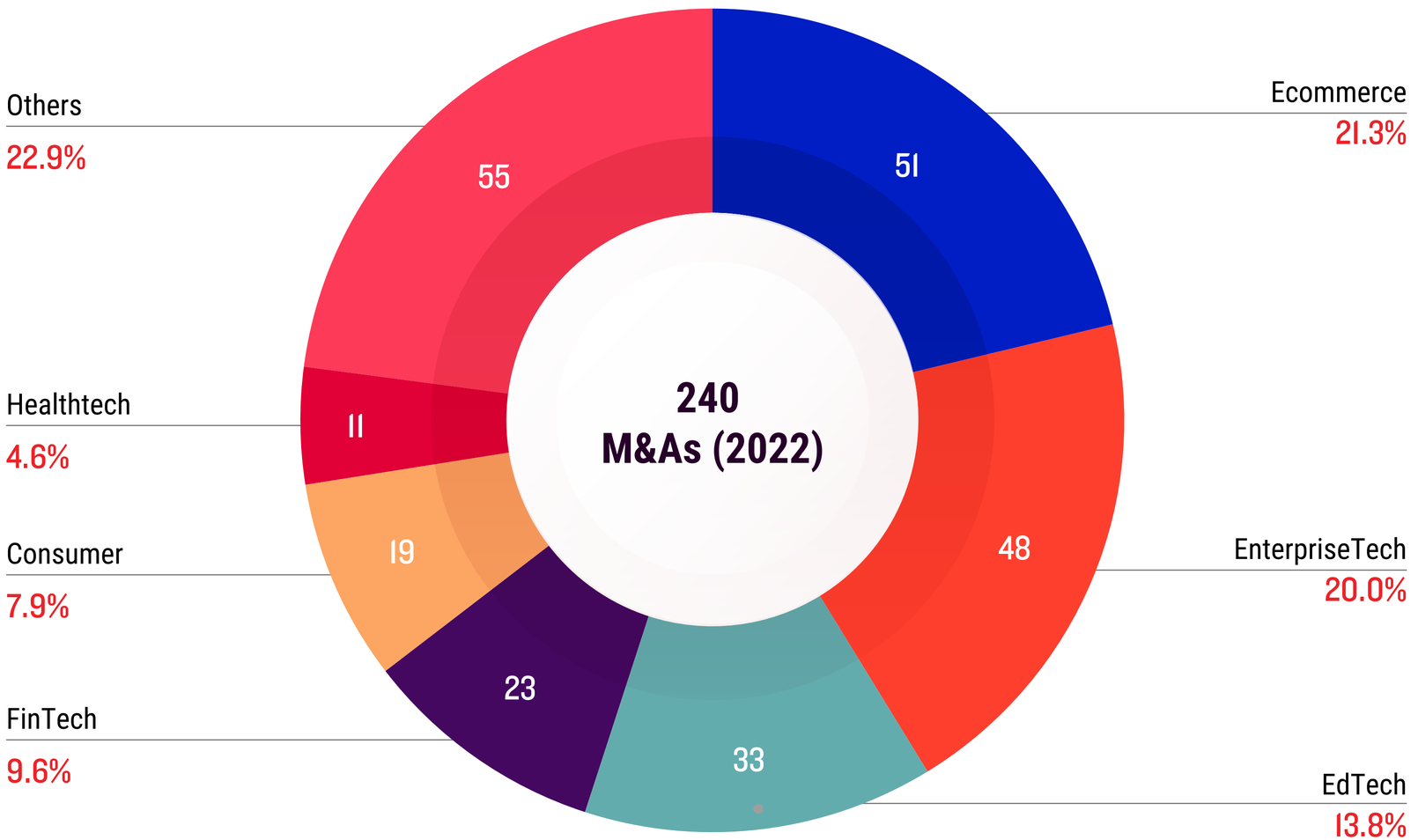
# 2022 Records The Highest Ever M&As By Indian Startups




Source: Inc42
Note: 2022 data as of 25th December

Inc42

# 1 Out Of Every 5 Startup Acquired In 2022 Was From The Ecommerce Or Enteprisetech Sector




Source: Inc42
Note: 2022 data is as of 25th December

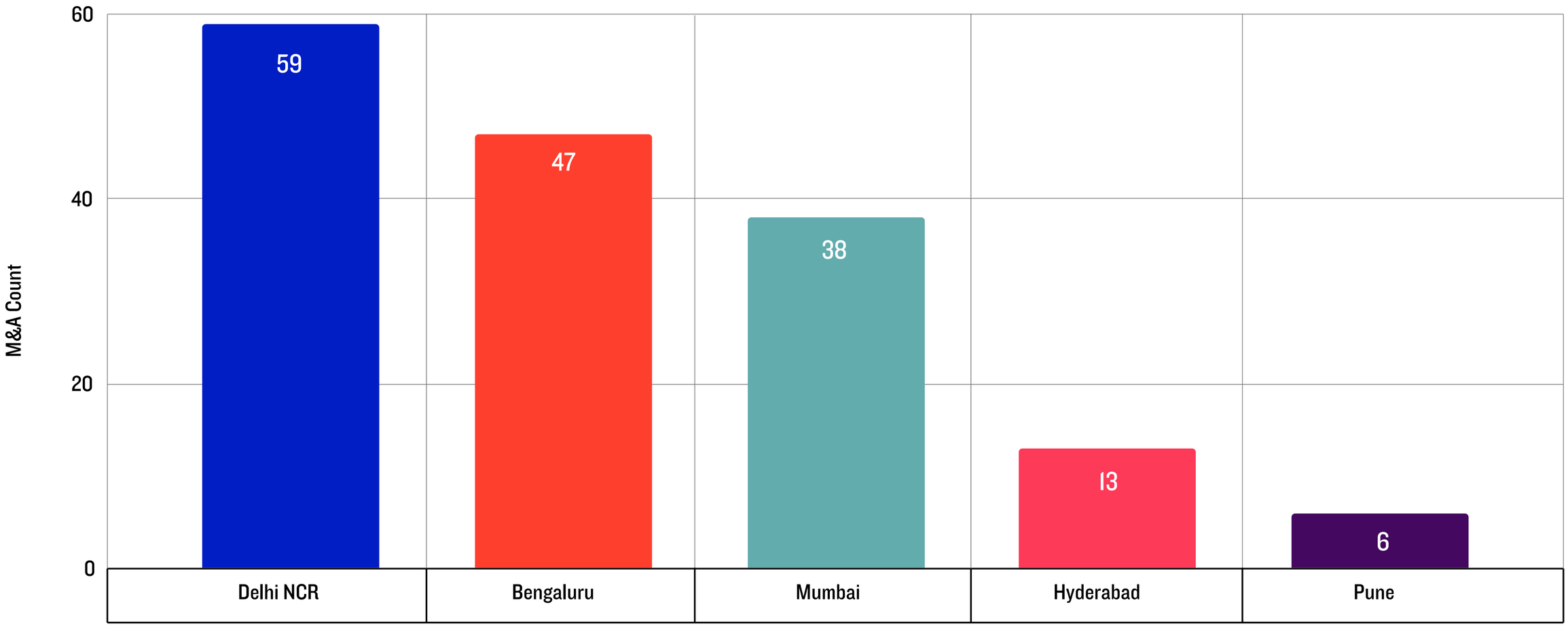
Inc42

# Top 10 Indian Startup M&As In 2022

Source: Inc42

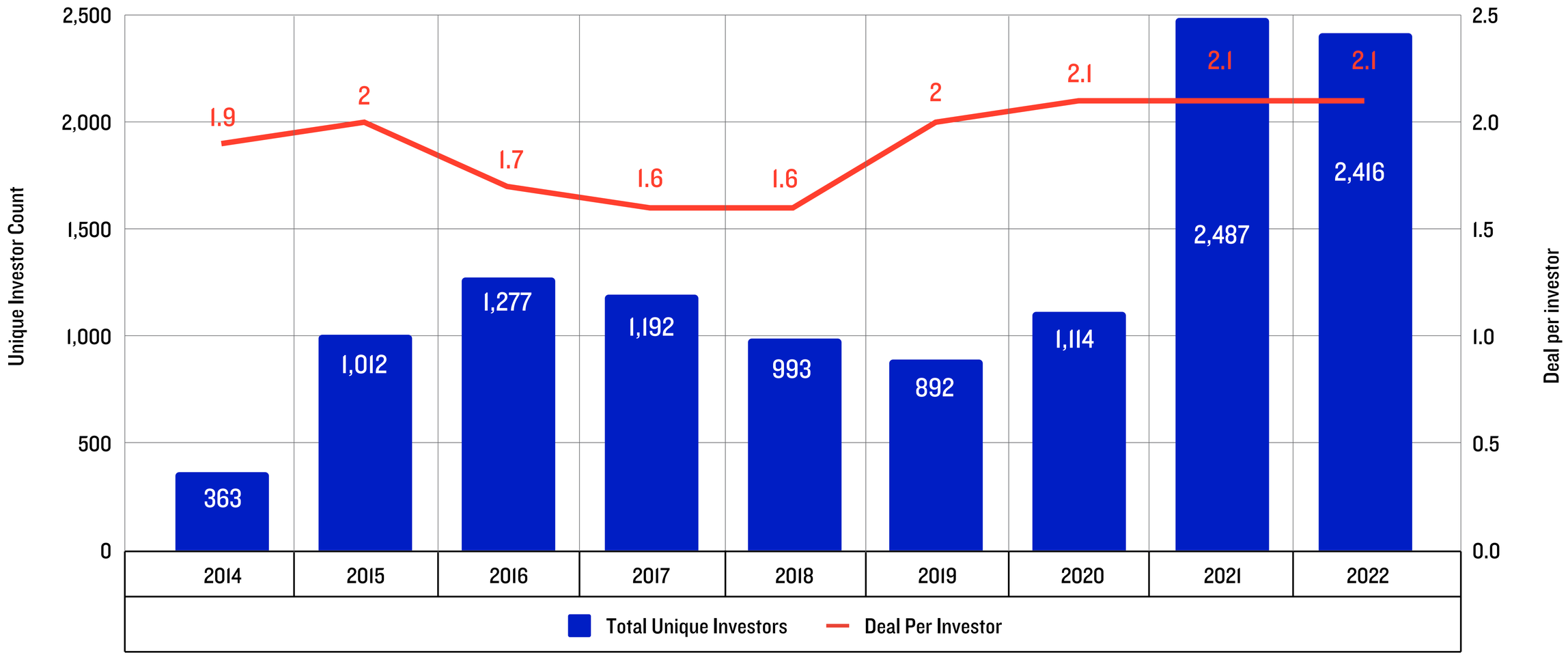
Note: Based on Indian startup M&A deals recorded between Ist January and 25th December 2022

# Delhi NCR Usurp Bengaluru In Total Number Startup Mergers & Acquisitions In 2022




Source: Inc42
Note: 2022 data as of 25th December

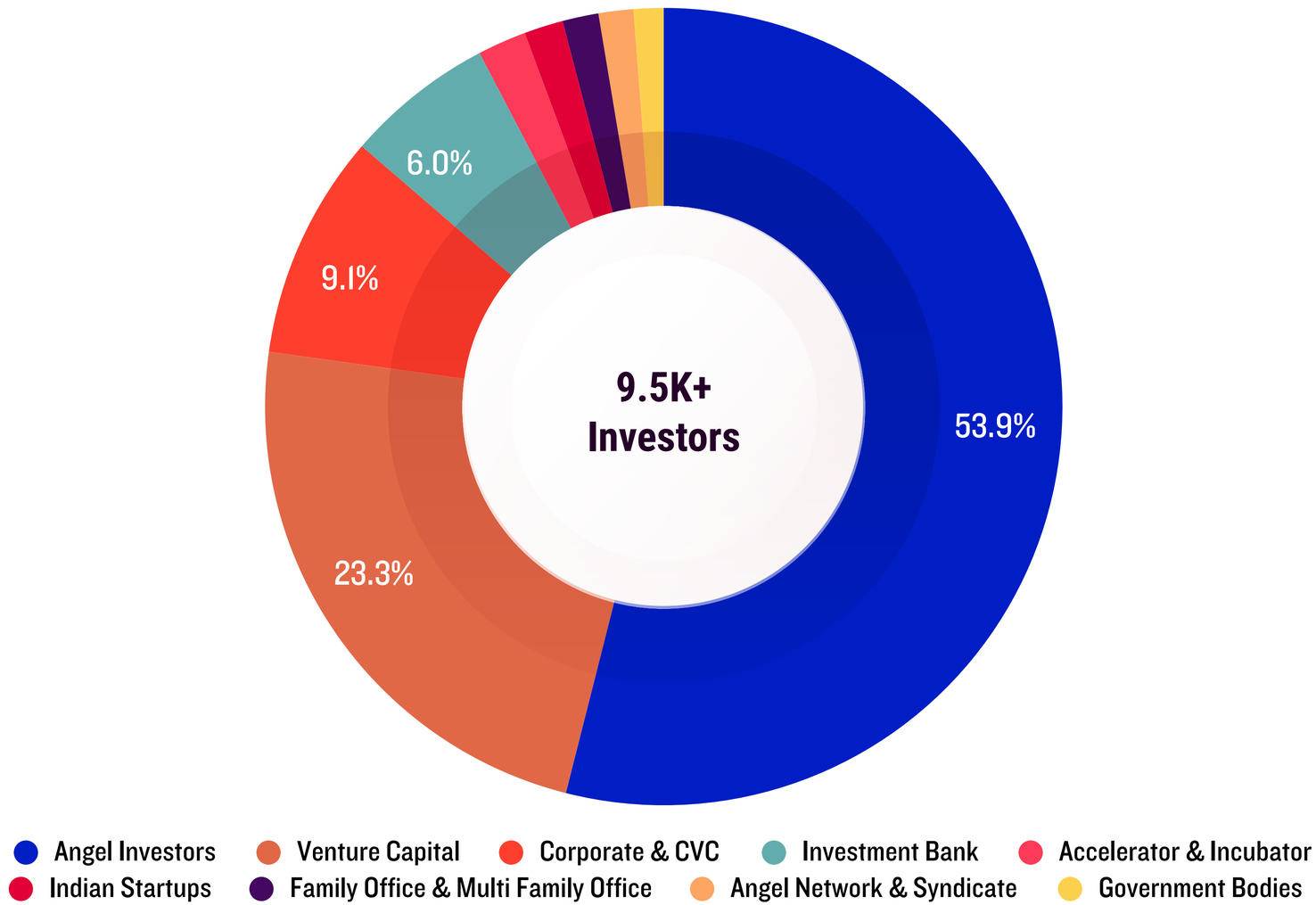
# Investors Continue To Bet On Indian Startups, Even Though Funding Declines




Source: Inc42
Note: 2022 data as of 25th December

Inc42

# More Than 9,500 Investors Have Backed Indian Startups To Date




Source: Inc42
Note: Based on unique investors who participated in Indian startup funding between Ist January, 2014 and 25th December 2022

# Indian Startup Investors Landscape

| Venture Capital | Venture Debt | Accelerator & Incubator | Angel Network & Syndicate | Corporate & CVC | Family Office & Multi Family Office | Public institution & Sovereign Funds |
|---|---|---|---|---|---|---|
| SEQUOIA | TRIFECTA CAPITAL | 500 startups | Indian Angel Network | BRAND CAPITAL LEAPFROG AMBITION | PremjiInvest | ADIA |
| SoftBank | alteria capital | 9UNICORNS | LetsVenture | CapitalG | CREDENCE | ADB |
| TIGERGLOBAL | INNOVEN CAPITAL | AXILOR | VentureCatalysts India's 1st Integrated Incubator | infoedge ventures | CATAMARAN | KERALA STARTUP MISSION |
| Accel | IvyCap Ventures | ENTREPRENEUR FIRST | AngelList India | M12 | DLF | sidbi |
| nexus venture partners | STRIDE VENTURES | CIIE.CO | INSEAD | intel Capital | pivotal | CPP Investments |
| Better | NORTHERN ARC | Y Combinator | Mumbai Angels Network | Reliance Industries Limited | Haldiram's | ONGC |
| ELEVATION | BlackSoil | GSF ACCELERATOR | HA Hyderabad Angels | TATA | Ananth Narayanan Family Office | MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY |
| Lightspeed | ANICUT | SURGE | LITO INCUBATION & INNOVATION FOUNDATION | SAMSUNG VENTURE INVESTMENT | REDDY FUTURES | IFC International Finance Corporation WORLD BANK GROUP Creating Markets, Creating Opportunities |
| 100X | UNICORN INDIA VENTURES | HUDDLE | Unicorn | amazon | KCT Group | British International Investment |
| 3ONE4 CAPITAL | INTELLEGROW CATALYZING GROWTH | techstars_ | WeFounderCircle | Walmart | DragonflyVentures | sidbi VENTURE |

# Indian Cricketers Who Backed Indian Startups In 2022

**ANIL KUMBLE**

Insurity

**KL RAHUL**

XY | XX

METAMAN

**MAYANK AGARWAL**

FULLIFE

**SMRITI MANDHANA**

NEEM AYU
Effective Ayurveda

**MS DHONI**

Garuda

SHAKA HARRY

**ROBIN UTHAPPA**

METAMAN

**SACHIN TENDULKAR**

RARIO

**SHIKHAR DHAWAN**

upstox

**VIRAT KOHLI**

RAGE COFFEE

BLUE TRIBE

# Bollywood Celebs Who Backed Indian Startups In 2022

**DIA MIRZA**

GREENDIGO organic clothing

**KAJAL AGGARWAL**

T.A.C the ayurveda co.

**RASHMIKA MANDANNA**

plum

**RAKUL PREET SINGH**

WELLBEING NUTRITION

**RANVEER SINGH**

SUGAR

**SHILPA SHETTY**

FAST&UP HUNAR mamaearth

**NORA FATEHI**

CUREFOODS

**ANUSHKA SHARMA**

slurrp farm BLUE TRIBE

**VARUN DHAWAN**

CUREFOODS

**SARA ALI KHAN**

The Souled Store

**ATHIYA SHETTY**

stage THR3E

**SUNIEL SHETTY**

AQUATEIN METAMAN

**PANKAJ TRIPATHI**

Krishi Network

**TIGER SHROFF**

freadom

# India's Top Startup Investors Of 2022

| | No. Of Deals | Notable Investments |
|---|---|---|
| LetsVenture | 360 | Burger Singh, Sanfe, Evenflow |
| AngelList India | 285 | Magma, SuperShare, Crib |
| VentureCatalysts India's 1st Integrated Incubator | 207 | AlgoBulls, Agnikul, Zingbus |
| SEQUOIA | 86 | Chargebee, CleverTap, Scaler Academy |
| Better | 75 | Gullak, HYPD, M2P Fintech |
| W F C | 71 | ParkMate, Anveshan, Uma Robotics |
| STRIDE VENTURES | 55 | BluSmart, WayCool, Battery Smart |
| ah! ventures | 54 | We360. ai, Immersive Vision, Klassroom |
| INNOVEN CAPITAL | 52 | MediBuddy, Rebel Foods, Scripbox |
| Accel | 48 | Fashinza, Detect Technologies, Scripbox |

Note: This ranking is done based on the deals recorded in our internal database and the annual investor ranking survey.

| | No. Of Deals | Notable Investments |
|---|---|---|
| Inflection Point Ventures | 48 | Bored Beverages, STAGE, MoneyPlanned |
| 100X | 45 | Super Scholar, ElevateHQ, |
| TIGERGLOBAL | 44 | CleverTap, CRED, Open |
| TRIFECTA CAPITAL | 42 | Country Delight, Rebel Foods, Scripbox |
| Yaad | 36 | ClearDekho, Quizy, Terra Food Co |
| 3ONE4 CAPITAL | 35 | Darwinbox, Kuku FM, Open |
| BLUME | 31 | Lambdatest, Pixxel, Jai Kishan |
| Artha Group of Companies | 30 | Daalchini, Fantasy Trading League, HobSpace |
| SucSEED | 30 | EduGorilla, The Gaming Project, Soeedlabs |
| The Chennai Angels Nurturing Passion, Mentoring Success | 30 | Freed, Goofy Tales, Terra Food Co |

Note: This ranking is done based on the deals recorded in our internal database and the annual investor ranking survey.

| | No. Of Deals | Notable Investments |
|---|---|---|
| ELEVATION | 28 | Chaayos, Polygon, Sugar |
| 9UNICORNS | 27 | Power Gummies, Evenflow, MarketWolf |
| BEENEXT | 27 | MemeChat, PazCare, ShopSe |
| ANICUT | 26 | MasterChow, Snapmint, The Ayurveda Experience |
| JITO INCUBATION & INNOVATION FOUNDATION | 25 | Renkube, Super Scholar, TABLT Pharmacy |
| matrix PARTNERS | 24 | Oxyzo, Rocketlane, MoEngage |
| infoedge | 24 | Swageazy, Lumiq, Adda247 |
| 2 am vc | 23 | Fieldproxy, GoldSetu, Spare8 |
| Y Combinator | 23 | Kindly, Orange Health, BharatX |
| ANTLER | 22 | Voloplay, Juno, Peakperformer |

Note: This ranking is done based on the deals recorded in our internal database and the annual investor ranking survey.

# Active Startup Investors In India

| | No. Of Deals | Notable Investments |
|---|---|---|
| 15M Ventures | 8 | Not Avaialble |
| A91 Partners | 9 | Healthkart, DaMENSCH, SUGAR Cosmetics |
| AGILITY | 9 | Skye Air Mobility, BattRE Electric Mobility, Spice Story |
| ANICUT | 13 | Chargeup, Snapmint, Artium Academy |
| ankur capital | 9 | Project Hero, SportVot, Josh Talks |
| AXILOR | 9 | 5C Network, Metalbook, Prolance |
| Bessemer Venture Partners | 10 | Lentra, Zopper, Pepper Content |
| chiratae VENTURES | 20 | Cropin, Lenskart, BeepKart |
| DSG | 10 | 82°E, Supertails, XYXX Apparels |
| Endiya | 9 | AquaExchange, Kissht, Expertia.AI |

Note: Only the top investors of 2022 have been included based on the deals they participated in.
The investors are placed in alphabetical order.

| | No. Of Deals | Notable Investments |
|---|---|---|
| EXIMIUS VENTURES | 12 | BimaKavach, Jar, iTribe |
| fireside ventures | 10 | Wellbeing Nutrition, Supertails, The Sleep Company |
| GFC | 9 | Flash, Hyperface, Ivy Homes |
| Goodwater | 10 | SuperNova, GroMo, ShoprTV |
| HUDDLE | 19 | Bold Care, HuddleUp, Shiprocket |
| Indian Angel Network® | 20 | Cheelizza, Hackle, Electrifuel |
| INSIGHT PARTNERS | 9 | Element5, FanCraze, M2P Fintech |
| THE INVESTMENT TRUST OF INDIA Growth Opportunities Fund | 12 | Bonatra, Papa Pawsome |
| IvyCap Ventures | 12 | Deep Rooted, Eggoz, Wagr |
| JUNGLE | 9 | CityMall, Drivetrain, InFeedo |

Note: Only the top investors of 2022 have been included based on the deals they participated in.
The investors are placed in alphabetical order.

| | No. Of Deals | Notable Investments |
|---|---|---|
| kalaari capital | 21 | Bombay Play, Clean Electric, WeRize |
| leo capital | 11 | indiagold, BeatO, Vahak |
| lightrock | 13 | Lenskart, MediBuddy, Scaler Academy |
| इलेक्ट्रॉनिकी एवं सूचना प्रौद्योगिकी मंत्रालय MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY | 13 | RoadMetrics, SatSure, Starloon Labs |
| multiply ventures | 9 | Lemme Be, Nutty Yogi, Upswing Financial Technologies |
| Mumbai Angels Network | 18 | Burger Singh, Celcius, DaveAI |
| nexus venture partners | 21 | Goodera, Hasura, Jiffy.ai |
| omnivore | 13 | Farmley, Intello Labs, Krishify |
| ORIOS Venture Partners | 9 | Battery Smart, Country Delight, Karbon Card |
| PRIME VENTURE PARTNERS | 9 | Dozee, Niyo, Zuper |

Note: Only the top investors of 2022 have been included based on the deals they participated in.
The investors are placed in alphabetical order.

| | No. Of Deals | Notable Investments |
|---|---|---|
| Redcliffe Capital | 15 | Not Avaialble |
| RTP Global | 12 | DeHaat, GoKwik, Kolo |
| SOMA CAPITAL | 10 | BharatX, Flash, GroMo |
| SPECIALE INVEST | 12 | The ePlane Company. CynLr, Threado |
| Stellaris VENTURE PARTNERS | 11 | Beepkart, Gullak, LimeChat |
| TEMASEK | 12 | DeHaat, DotPe, Shiprocket |
| TITAN CAPITAL | 21 | Pepper Content, LimeChat, Gold Setu |
| WESTBRIDGE \| CAPITAL | 22 | PhysicsWallah, Adda247, Healthians |
| Whiteboard CAPITAL | 12 | DaMENSCH, Listed Fans, MyMuse |

Note: Only the top investors of 2022 have been included based on the deals they participated in.
The investors are placed in alphabetical order.

# Notable Angel Investors In India 2022

| | No. Of Deals | Notable Investments |
|---|---|---|
| Abhishek Goyal | 7 | GroMo, MemeChat, Onsite |
| Anjali Bansal | 4 | BambooBox, Gold Setu, Groyyo |
| Ankit Nagori | 8 | Xeno, GetSupp, SuperK |
| Ankur Nagpal | 5 | Bitespeed, Pepper Content, Phyllo |
| Anupam Mittal | 4 | Rigi, Strive, Toplyne |
| Aprameya Radhakrishna | 6 | Jovian, Kofluence, PensionBox |
| Archana Priyadarshini | 4 | Broomees, CogniSaaS, Ekank Technologies |
| Arjun Vaidya | 8 | Eské Paris, ShoutO, VAMA |
| Ashneer Grover | 5 | Big Bang Food Tech, Freadom, Get-A-Whey |
| Balaji Srinivasan | 7 | Questbook, Samudai, Lysto |

Note: This list is not ranking of any kind. Angel investors are placed in alphabetical order.
Only active startup investors have been included in the list based on their deal participation in 2022. Only publicly disclosed deals (recorded in our database) have been taken into consideration.

| | No. Of Deals | Notable Investments |
|---|---|---|
| Binny Bansal | 7 | Goodera, Lysto, xto10x |
| Gaurav Munjal | 5 | CoinMint, Lissun, MemeChat |
| Ghazal Alagh | 14 | Humpy Farms, unScript AI, Wishlink |
| Gokul Rajaram | 8 | Dozee, Entri, Filo |
| Kunal Shah | 54 | Driffle, EekiFoods, OSlash |
| Lalit Keshre | 7 | Flash, Neend, Shoppr.TV |
| Maninder Gulati | 8 | Mistry.Store, SolarSquare, TradeX |
| Nithin Kamath | 5 | AssetPlus, GalaxEye, Kalvi |
| Nitin Gupta | 6 | GroMo, Locofast, NAKAD |
| Nitish Mittersain | 5 | LifeChart, MoEving, Rigi |

Note: This list is not ranking of any kind. Angel investors are placed in alphabetical order.
Only active startup investors have been included in the list based on their deal participation in 2022. Only publicly disclosed deals (recorded in our database) have been taken into consideration.

| | No. Of Deals | Notable Investments |
|---|---|---|
| Ramakant Sharma | 7 | Covvalent, EekiFoods, Glamplus |
| Sandeep Nailwal | 12 | Flint, Pillow, FanTiger |
| Shashank Kumar | 5 | HYPD, NAKAD, SuperK |
| Sriharsha Majety | 4 | BlissClub, Headout,Tortoise |
| Srinath Ramakkrushnan | 4 | Agrizy, Frigate, LOBB |
| Suhail Sameer | 4 | Glip, Liquide, Locofast |
| Sujeet Kumar | 12 | Kofluence, Suite42, Tring |
| Utsav Somani | 4 | GroMo, SuperShare, Upswing Financial Technologies |
| Varun Alagh | 30 | Supertails, Mokobora, AlmaBetter |
| Vidit Aatrey | 4 | Infra.Market, SolarSquare, Wishlink |
| Vijay Shekhar Sharma | 7 | Curelink, Daalchini, Evenflow |
| Vineeta Singh | 2 | Get-A-Whey, Varee |

Note: This list is not ranking of any kind. Angel investors are placed in alphabetical order.
Only active startup investors have been included in the list based on their deal participation in 2022. Only publicly disclosed deals (recorded in our database) have been taken into consideration.

# Startup Fund Launches Of 2022

**126**

New Funds Launched

**$18 Bn**

Combined Fund Size

**62%**

Are Focused On Early Stage Startups

**22%**

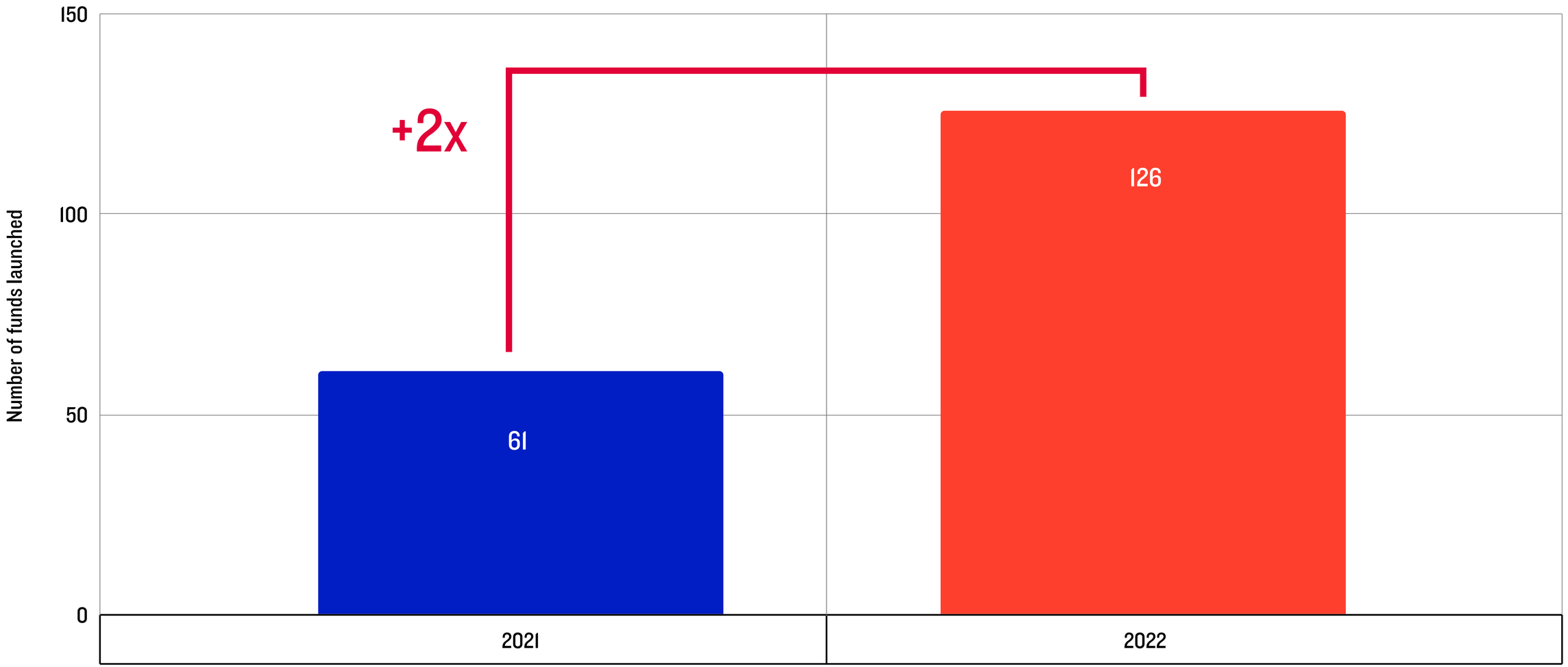
Are Sector Agnostic

**10 Funds**

Launched By Corporate & CVCs

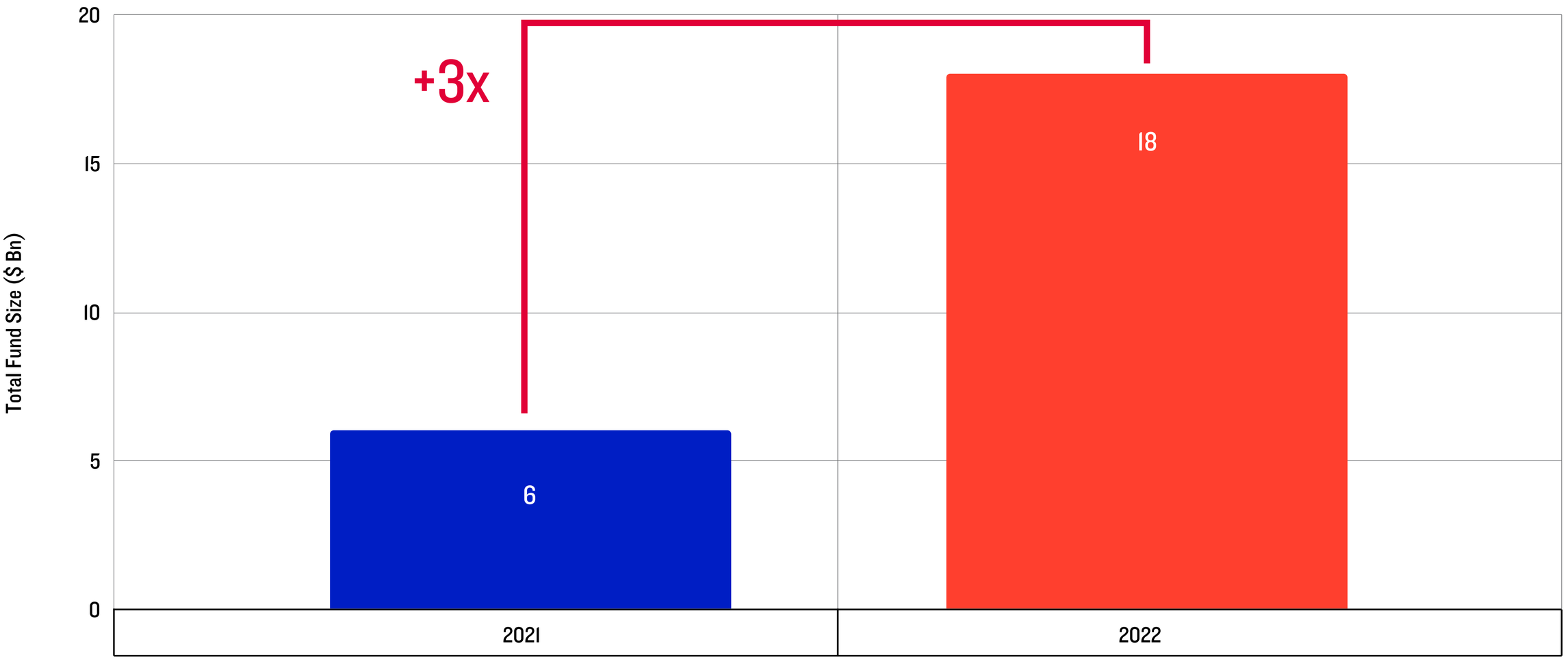
Note: Funds which have announced their corpus in public domain but are yet to be launched are included in this analysis

# New Fund Launches Doubled In 2022 Despite The Ongoing Funding Crunch




Source: Inc42
Note: Funds which have announced their corpus in public domain but are yet to be launched are included in this analysis

# 3x Year-On-Year Surge In Total Fund Size Of New VC Funds Launched In 2022




Source: Inc42
Note: Funds which have announced their corpus in public domain but are yet to be launched are included in this analysis

Inc42

# List Of New Funds Launched In 2022

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| 4Point0 Health Ventures | VC Fund | 75 | Early to Growth Stage | Planning |
| 8i Fund II | VC Fund | 50 | Early Stage | Launched |
| 9Unicorns | Accelerator Fund | 100 | Early & Growth Stage | Launched |
| Aavishkaar India Fund VI | VC Fund | 130 | Early Stage | Planning |
| Accel India VII | VC Fund | 650 | Early Stage | Launched |
| Agility Ventures | Angel Fund | 60 | Early Stage | Launched |
| Agri Seed Fund | CVC Fund | 25 | Seed Stage | Launched |
| ah! Ventures | Angel Fund | | Early Stage | Launched |
| ah! Ventures | Angel Fund | 14 | Early Stage | Launched |
| AIF Grand Anicut Fund II | Debt Fund | 110 | Early & Growth Stage | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| All In Capital | Micro VC Fund | 10 | Early Stage | Launched |
| Alteria Capital | Debt Fund | 122 | Undisclosed | Launched |
| Alternative Investment Fund | Angel Fund | 13 | Early Stage | Launched |
| Amesten Capital | Seed Fund | 9 | Seed Stage | Launched |
| Anicut Capital | Debt Fund | 19 | Growth & Early Stage | Launched |
| Anicut Opportunities Fund I | VC Fund | 64 | Growth Stage | Planning |
| Antler India Residency | Micro VC Fund | 15 | Early Stage | Launched |
| Arkam Ventures Fund | VC Fund | 106 | Early Stage | Launched |
| Artha Group | VC Fund | 55 | Growth Stage | Launched |
| ARTPARK | VC Fund | 100 | Undisclosed | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Ascent Fund II | VC Fund | 250 | Early To Growth Stage | Planning |
| Athera Venture Partners Fund IV | VC Fund | 120 | Early Stage | Launched |
| AUM Ventures | VC fund | Undisclosed | Undisclosed | Announcement |
| Auxano Capital [Category 1] | Micro VC Fund | 25 | Early To Growth Stage | Launched |
| Avatar Venture | VC Fund | 350 | Undisclosed | Launched |
| Axilor Technology Fund II | VC Fund | 97 | Early Stage | Launched |
| Beams Fintech Fund | VC Fund | 36 | Growth Stage | Launched |
| Beams FinTech Fund | VC Fund | 100 | Growth Stage | Launched |
| Bertelsmann India Investments | VC Fund | 500 | Growth & Late Stage | Launched |
| Bertelsmann India Investments | VC Fund | 500 | Growth & Late Stage | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Bharat Founders Fund | VC Fund | Undisclosed | Seed Stage | Launched |
| BLinC-II | Micro VC Fund | 13 | Early Stage | Launched |
| Cactus Venture Partners | VC Fund | 94 | Early Stage | Planning |
| Chiratae Ventures | VC Fund | 600 | Early Stage | Planning |
| Chiratae Ventures | VC Fund | Undislosed | Early Stage | Launched |
| Chiratae Ventures | VC Fund | 93 | Growth Stage | Launched |
| Coinbase Ventures, Indian Incubator, Buidlers Tribe | Grant, CVC Fund | 1 | Early Stage | Planning |
| CoinDCX Ventures | CVC Fund | 13 | Early Stage | Launched |
| CoinSwitch Kuber Fund | CVC Fund | 10 | Early Stage | Launched |
| CrazyLabs | CVC Fund | 1 | Early Stage | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Cypher Capital | VC Fund | 100 | Undisclosed | Launched |
| Dallas Venture Capital | VC Fund | 80 | Early Stage | Planning |
| Digital Futurists Angels Network | Angel Fund | 10 | Early Stage | Planning |
| Edelweiss | Debt Fund | 367 | Growth Stage | Launched |
| Eight Roads Venture India | VC Fund | 250 | Early & Growth Stage | Launched |
| Elev8 Venture Partners | VC Fund | 200 | Undisclosed | Launched |
| Elevation Capital Fund VIII | VC Fund | 670 | Early Stage | Launched |
| Equanimity Investments | VC Fund | 46 | Early Stage | Planning |
| Evolve | Micro VC Fund | 10 | Early Stage | Launched |
| Eximius Ventures | Micro VC Fund | Undislosed | Early Stage | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| First Cheque[Fund II] | VC Fund | 5 | Early Stage | Planning |
| Fluid Ventures | VC Fund | 65 | Growth Stage | Launched |
| Fundamentum Partnership [Fund - II] | Angel Fund | 227 | Growth Stage | Planning |
| Games24x7 | Debt Fund | 49 | Early Stage | Launched |
| Ganesha | VC Fund | 300 | Late Stage | Launched |
| Gemba Capital Fund | VC Fund | 13 | Early Stage | Planning |
| General Atlantic | VC Fund | 2,000 | Growth Stage | Planning |
| Griffin Gaming Partners Fund II | VC Fund | 4 | Undisclosed | Planning |
| Gujarat Venture Finance Limited [Fund IX] | Micro VC Fund | 63 | Early Stage | Planning |
| Impact Investment Fund | Micro VC Fund | Undisclosed | Early Stage | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| India WaterPitch-Pilot-Scale Startup Challenge | Govt Fund | 26,000 | Undisclosed | Launched |
| India-UAE (United Arab Emirates) Venture Capital Fund | VC Fund | 150 | Undisclosed | Launched |
| Indian Angel Network | VC Fund | 122 | Early Stage | Launched |
| Invstt Trust | Angel Fund | 24 | Early Stage | Launched |
| IvyCap Ventures | VC Fund | 261 | Growth Stage | Launched |
| Jashvik Capital | PE Fund | 37 | Growth Stage | Launched |
| Java Capital | Alternative Investment Fund | 9 | Early Stage | Launched |
| JPIN India Fund | Micro VC Fund | 20 | Stage Agnostic | Launched |
| Jungle Ventures Fund IV | VC Fund | 600 | Undisclosed | Launched |
| Kerala State Financial Enterprises | VC Fund | 32 | Local Startups | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Kettleborough | Micro VC Fund | 5 | Early Stage | Launched |
| LenDenClub Alpha | CVC Fund | Undisclosed | Seed & Pre-Series Stage | Launched |
| Leo Capital | VC Fund | 125 | Early Stage | Launched |
| Lighthouse Funds [Fund-IV] | PE Fund | 400 | Late Stage | Planning |
| Lightspeed India [Fund IV] | VC Fund | 500 | Early to Growth stage | Planning |
| Maharashtra Innovation and Technological Development Fund | Govt Fund | 26 | Early Stage | Planning |
| Merak Ventures | VC Fund | 100 | Early Stage | Planning |
| Multiply Ventures | VC Fund | 33 | Growth Stage | Launched |
| MV Core Tech Fund–I | VC Fund | 419 | Early Stage | Launched |
| North Eastern Development Finance Corporation Limited | CVC Fund | 30 | Undisclosed | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| OAKS Consumer Fund | PE Fund | 115 | Growth Stage | Planning |
| Omnivore Fund 3 | VC Fund | 130 | Early Stage | Launched |
| Panthera Growth Partners [Fund II] | VC Fund | 250 | Growth Stage | Launched |
| Peaceful Progress | Angel Fund | 6 | Early Stage | Planning |
| Physis Capital | VC Fund | 50 | Pre-Series to Growth Stage | Launched |
| pi Ventures | VC Fund | 40 | Early Stage | Launched |
| PointOne Capital | Micro VC Fund | 7 | Beta & Pre-Seed Stage | Launched |
| Propell | Micro VC Fund | 6 | Early Stage | Launched |
| QED Investors | VC Fund | 500 | Pre-Seed to Growth Stage | Planning |
| Quona Accion Inclusion Fund III | VC Fund | 350 | Growth Stage | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Quona Capital | VC Fund | 332 | Growth Stage | Launched |
| Real-Time Accelerator Fund | Accelerator Fund | 13 | Seed & Early Stage | Launched |
| Riverwalk Holdings | Micro VC Fund | 6 | Early & Growth Stage | Launched |
| Rocketship.vc [Fund III] | VC Fund | 125 | Growth Stage | Planning |
| Sequoia India & SEA | VC Fund | 2,000 | Seed & Growth Stage | Launched |
| Shikhar Dhawan Sportstech Fund | VC Fund | 75 | Early To Late | Launched |
| Silverneedle Ventures | Micro VC Fund | 12 | Early Stage | Launched |
| Sindhi community Fund | Micro VC Fund | 1 | Early Stage | Planning |
| Singularity Growth Opportunities Fund-I | VC Fund | 78 | Growth & Late Stage | Launched |
| Sorin Investments | VC Fund | 100 | Growth Stage | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| South Asia Growth Fund II | VC Fund | 200 | Undisclosed | Launched |
| Speciale Invest Continuity Fund II | VC Fund | 38 | Seed Stage | Launched |
| SphitiCap | VC Fund | 500 | Early Stage | Launched |
| SSIP 2.0 | Govt Fund | 65 | Seed Stage | Planning |
| StartupXseed Ventures | Micro VC Fund | 30 | Undisclosed | Launched |
| State Startup Hub | Govt Fund | 10 | Seed Stage | Planning |
| Stride Ventures India [Fund II] | Debt Fund | 200 | Stage Agnostic | Planning |
| Supply Chain Labs | Fellowship Fund | 10 | Stage Agnostic | Launched |
| Suvan Ventures | Micro VC Fund | 10 | Early Stage | Planning |
| Symbolic Capital | VC Fund | 50 | Early Stage | Planning |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Tata Capital | CVC Fund | 126 | Undisclosed | Launched |
| Tegro | Grant | 1 | Undisclosed | Launched |
| The Trifecta Leaders Fund – I | VC Fund | 200 | Late Stage | Launched |
| Transition VC | VC Fund | 49 | Early Stage | Launched |
| Upekkha's UP funds | Accelerator | 9 | Early Stage | Launched |
| Venture Catalysts | VC Fund | 100 | Growth Stage | Planning |
| Venture Catalysts And CREDAI Fund | CVC Fund | 100 | Early to Growth Stage | Planning |
| Venture Partners | VC Fund | 120 | Early Stage | Launched |
| Venturi Partners | VC Fund | 175 | Growth Stage | Launched |
| We Founder Circle Global Angels Fund | Angel Fund | 30 | Early Stage | Launched |

| Fund Name | Fund Type | Fund Size ($ Mn) | Stage Focus | Status |
|---|---|---|---|---|
| Weave Capital | VC Fund | 75 | Early to Growth Stage | Launched |
| White Ventures Capital | VC Fund | 40 | Seed To Series A | Launched |
| Xponentia Capital Partners [Fund-II] | PE Fund | 46 | - | Planning |
| Yatra Angel Network | Micro VC Fund | 11 | Early Stage | Launched |
| YourNest Venture Capital III | Micro VC Fund | 15 | Early Stage | Launched |
| Z3Partners Tech Fund | VC Fund | 62 | Growht To Late Stage | Planning |

# 2022 In Review: Indian Startups In Public Markets

**3**

Number Of Startups That Listed In 2022

**INR 5,843 Cr**

Amount Raised In 2022 Via IPOs

**8.6 Years**

Average Time Taken By Indian Startups To List

**Startups That Listed**

Tracxn

DELHIVERY

DRONEACHARYA® AERIAL INNOVATIONS

# State Of New Age Tech Stocks

| | IPO Year | Status | YTD Change |
|---|---|---|---|
| CarTrade.com | 2021 | Loss making | -44% |
| DELHIVERY | 2022 | Loss making | -39% |
| DRONEACHARYA® AERIAL INNOVATIONS | 2022 | Profit making | 16% |
| EaseMyTrip.com | 2021 | Profit making | -59% |
| Fino Payments Bank फिनो पेमेंट्स बैंक | 2021 | Profit making | -34% |
| freshworks | 2021 | Loss making | -46% |
| indiamart.com | 2019 | Profit making | -36% |
| infoedge | 2006 | Profit making | -30% |
| Justdial | 2013 | Profit making | -28% |

| | IPO Year | Status | YTD Change |
|---|---|---|---|
| make my trip | 2010 | Loss making | -5% |
| MapmyIndia | 2021 | Profit making | -42% |
| Nazara | 2021 | Profit making | -52% |
| NYKAA | 2021 | Loss making | -57% |
| paytm | 2021 | Loss making | -60% |
| policybazaar.com | 2021 | Loss making | -52% |
| Tracxn.com | 2022 | Loss making | -15% |
| yatra | 2016 | Loss making | 37% |
| zomato | 2021 | Loss making | -58% |

Source: Inc42 analysis, NSE

# IPOs That Missed The Mark: Maybe Next Year Or Maybe Not?

| Startups | Planned Raise (In Inr Cr) | DRHP Filed In | SEBI Approval On | IPO Status |
|---|---|---|---|---|
| droom | 3,000 | NOV, 2021 | Not Received | Withdrawn |
| MobiKwik | 1,900 | JULY, 2021 | OCT, 2021 | Shelved Indefinitely |
| Take it easy PharmEasy | 6,250 | NOV, 2021 | FEB, 2022 | Withdrawn |
| snapdeal | 1,250 | DEC, 2021 | Not Received | Withdrawn |
| Ecom Express | 4,860 | Not Filed Yet | - | Shelved Indefinitely |

| Startups | Planned Raise (In Inr Cr) | DRHP Filed In | SEBI Approval On | IPO Status |
|---|---|---|---|---|
| boAt | 2,000 | Jan, 2022 | May, 2022 | WITHDRAWN |
| ixigo | 1,600 | Aug, 2021 | Dec, 2021 | Unclear |
| navi | 3,350 | Mar, 2022 | Sep, 2022 | Unclear |
| capillary | 850 | Dec, 2021 | May, 2022 | Unclear |
| OYO | 8,430 | Oct, 2021 | Pending | Unclear |
| digit | 1,250 | Aug, 2021 | Pending | In Abeyance |

# IPOs That Might See Light In 2023

## RECEIVED SEBI APPROVAL

### navi
- Current Valuation: 5,386
- IPO Size: 3,350

### yatra
- Current Valuation: NA
- IPO Size: 750

### ixigo
- Current Valuation: 3,314
- IPO Size: 1,600

### capillary
- Current Valuation: NA
- IPO Size: 850

## SEBI APPROVAL PENDING

### OYO
- Current Valuation: 53,861
- IPO Size: 8,430

### mamaearth
- Current Valuation: 9,600
- IPO Size: 2.4K-3K

### PayMate
- Current Valuation: 11,269
- IPO Size: 1,500

## SEBI KEPT IT IN ABEYANCE

### digit
- Current Valuation: 33,145
- IPO Size: 1,250

Current Valuation  IPO Size

Note: All Figures In Inr Cr

# Decoding India's Unicorn & Soonicorn Club

# The Indian Unicorn & Soonicorn Landscape

**108** Unicorns

**$345 Bn** Combined Valuation

**$94 Bn** Total Capital Raised

Top Subsectors

**24** Ecommerce

**22** Fintech

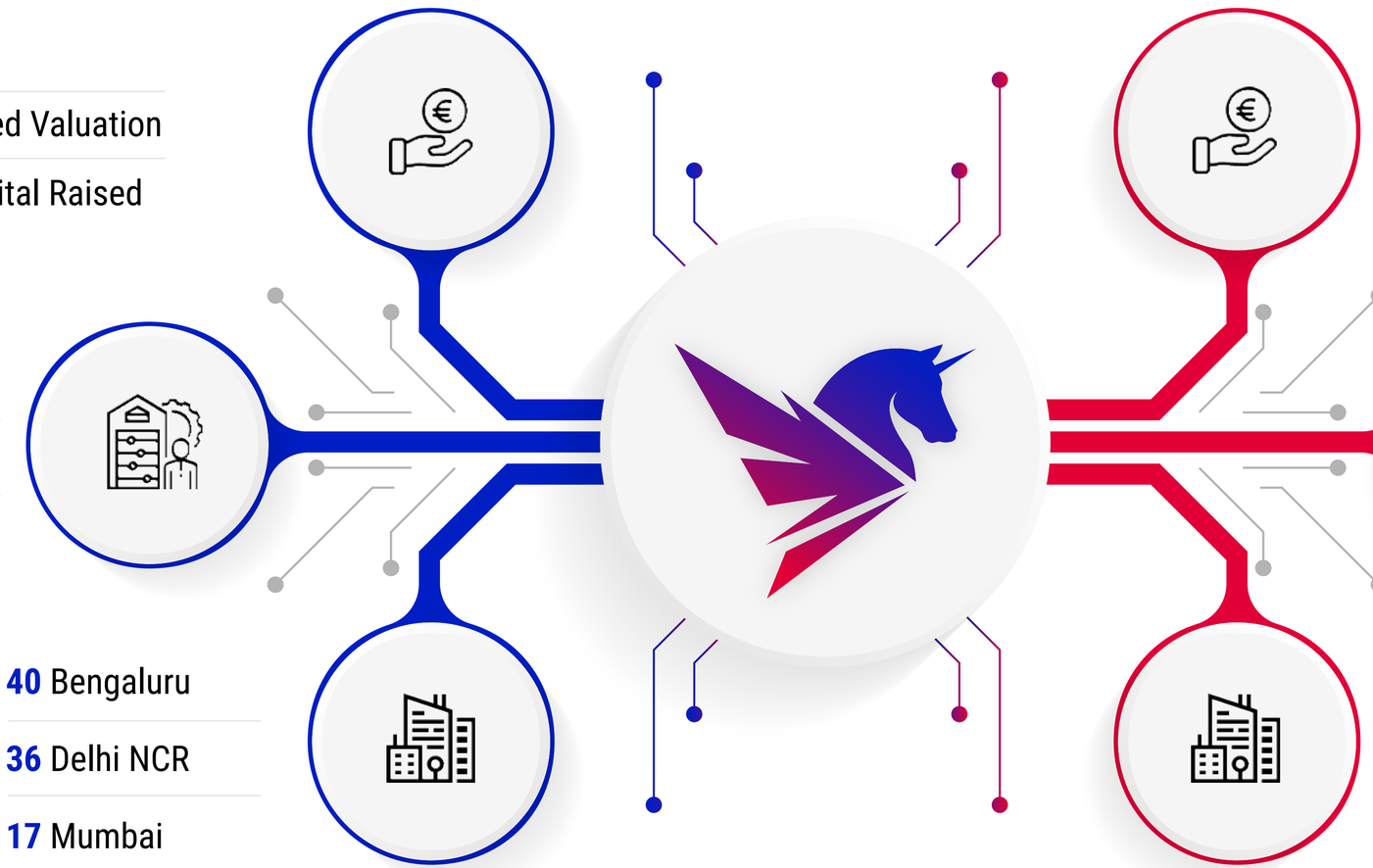
**20** Enterprisetech

Top Hubs

**40** Bengaluru

**36** Delhi NCR

**17** Mumbai



**102** Soonicorns

**$35 Bn+** Combined Valuation

**$15 Bn+** Total Capital Raised

Top Subsectors

**33** Fintech

**17** Ecommerce

**12** Enterprisetech

TopHubs

**44** Bengaluru

**24** Mumbai

**20** Delhi NCR

Note:The list includes Indian startups that have ever entered the unicorn club.
Out of the total 108 unicorns mentioned, 7 have been acquired, 2 are bootstrapped, 11 listed, 3 are valued less than $1 Bn.

# India's Unicorn Landscape

## ECOMMERCE

CARS24, DealShare, droom, firstcry.com, Flipkart, GlobalBees, The Good Glamm Group, indiamart, INFRA.MARKET, lenskart, Licious, LIVSPACE, mamaearth, meesho, MENSA, moglix, NYKAA, ofBusiness, Paytm mall, SHOPCLUES.COM, snapdeal, Spinny, purple, udaan

## FINTECH

ACKO, BharatPe, BillDesk, Chargebee, CoinDCX, one card, COINSWITCH KUBER, CRED, Yubi, digit, Groww, MobiKwik, oxyzo, paytm, PhonePe, Pine Labs, policybazaar.com, Razorpay, slice, ZERODHA, zeta, open

## ENTERPRISETECH

amagi, apna, BrowserStack, MapmyIndia, fractal, freshworks, HASURA, MindTickle, Mu Sigma DO THE MATH, gupshup, uniphore, POSTMAN, zenoti, ZOHO, druva, ZETWERK, icertis, darwinbox, leadsquared, INMOBI

## CONSUMER SERVICES

bigbasket, CarDekho, blinkit, infoedge, Quikr, REBEL FOODS, SWIGGY, Urban Company, zomato

## MEDIA & ENTERTAINMENT

VERSE, glance, GAMES 24 SEVEN, MPL MOBILE PREMIER LEAGUE, hike, ShareChat, DREAM SPORTS

## EDTECH

BYJU'S, ERUDITUS, Vedantu, unacademy, upGrad, LEAD, PHYSICS WALLAH

## LOGISTICS

BLACKBUCK, DELHIVERY, RIVIGO, XPRESSBEES, elasticrun, Shiprocket

## HEALTHTECH

Pristyn Care, innovaccer, PharmEasy, TATA 1mg, cure.fit

## TRAVEL TECH

make my trip, OYO, EaseMyTrip.com

## TRANSPORT TECH

OLA, OLA ELECTRIC

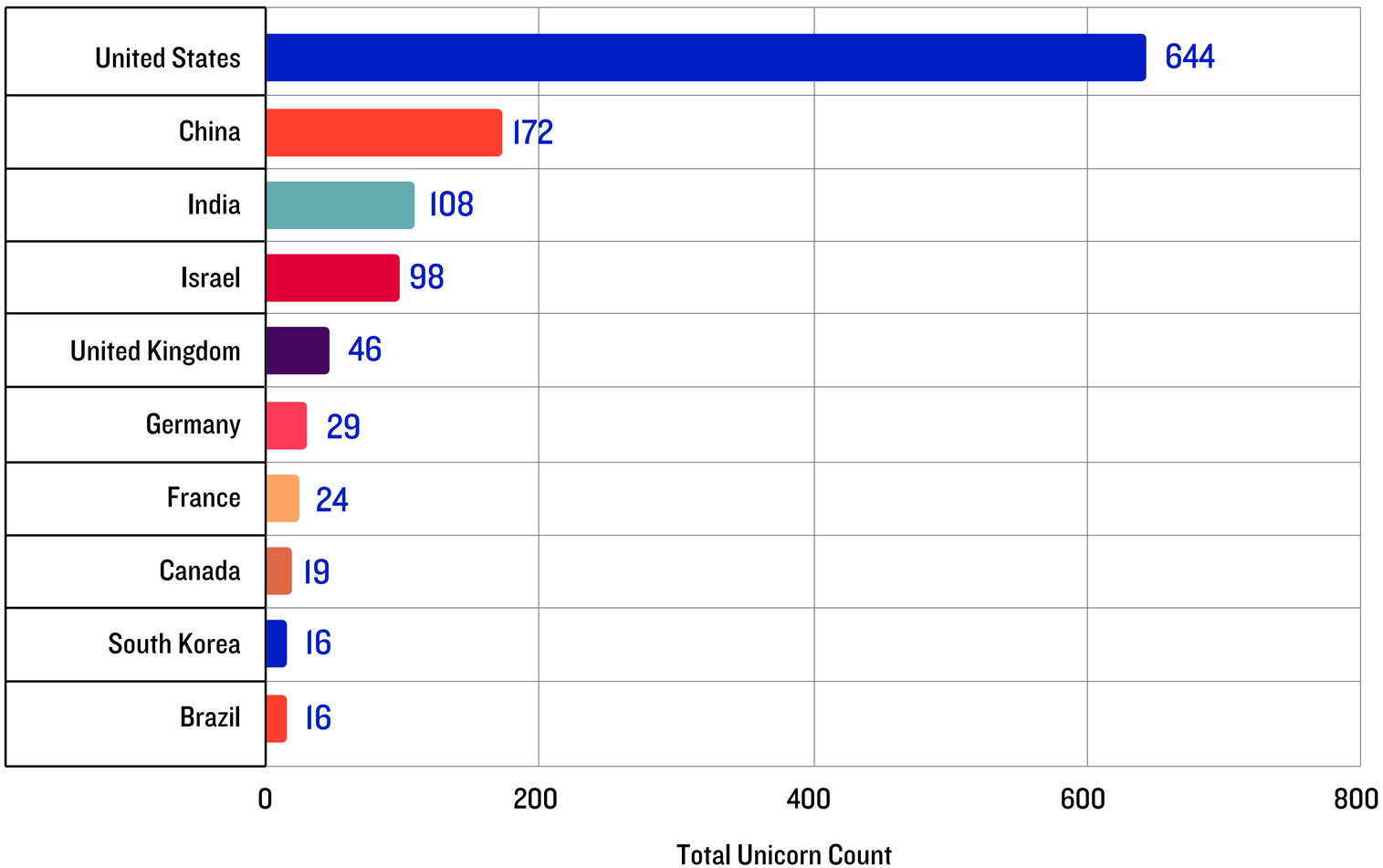
## OTHERS

NOBROKER, ReNew POWER, 5ire

Note:The list includes Indian startups that have ever entered the unicorn club.
Out of the total 108 unicorns mentioned, 7 have been acquired, 2 are bootstrapped, 11 listed, 3 are valued less than $1 Bn.

Inc42

# India Ranks Third In Global Unicorn Race

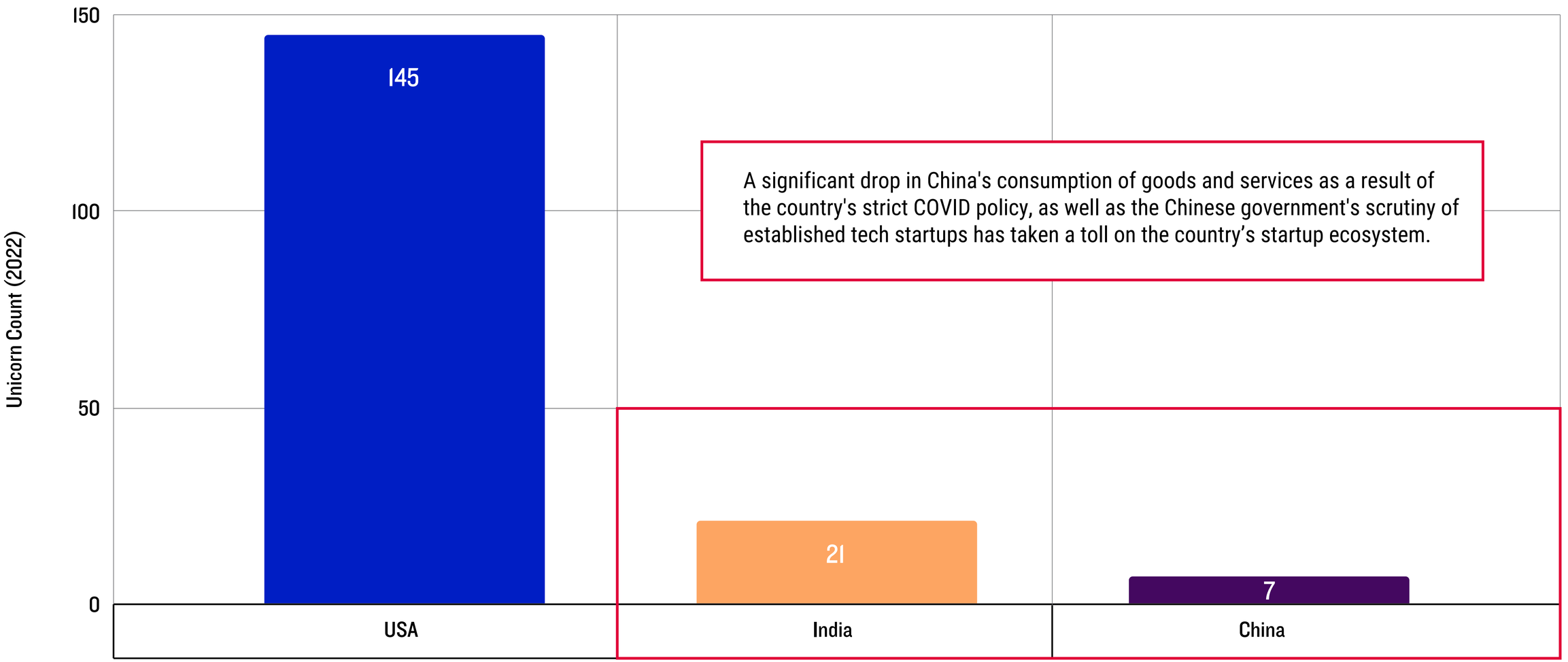



The three-year CAGR (2019-2022) of new unicorns produced in India was 44%, while it was -33% in China.

In 2022, India (21) minted 3x more unicorns than China (7).

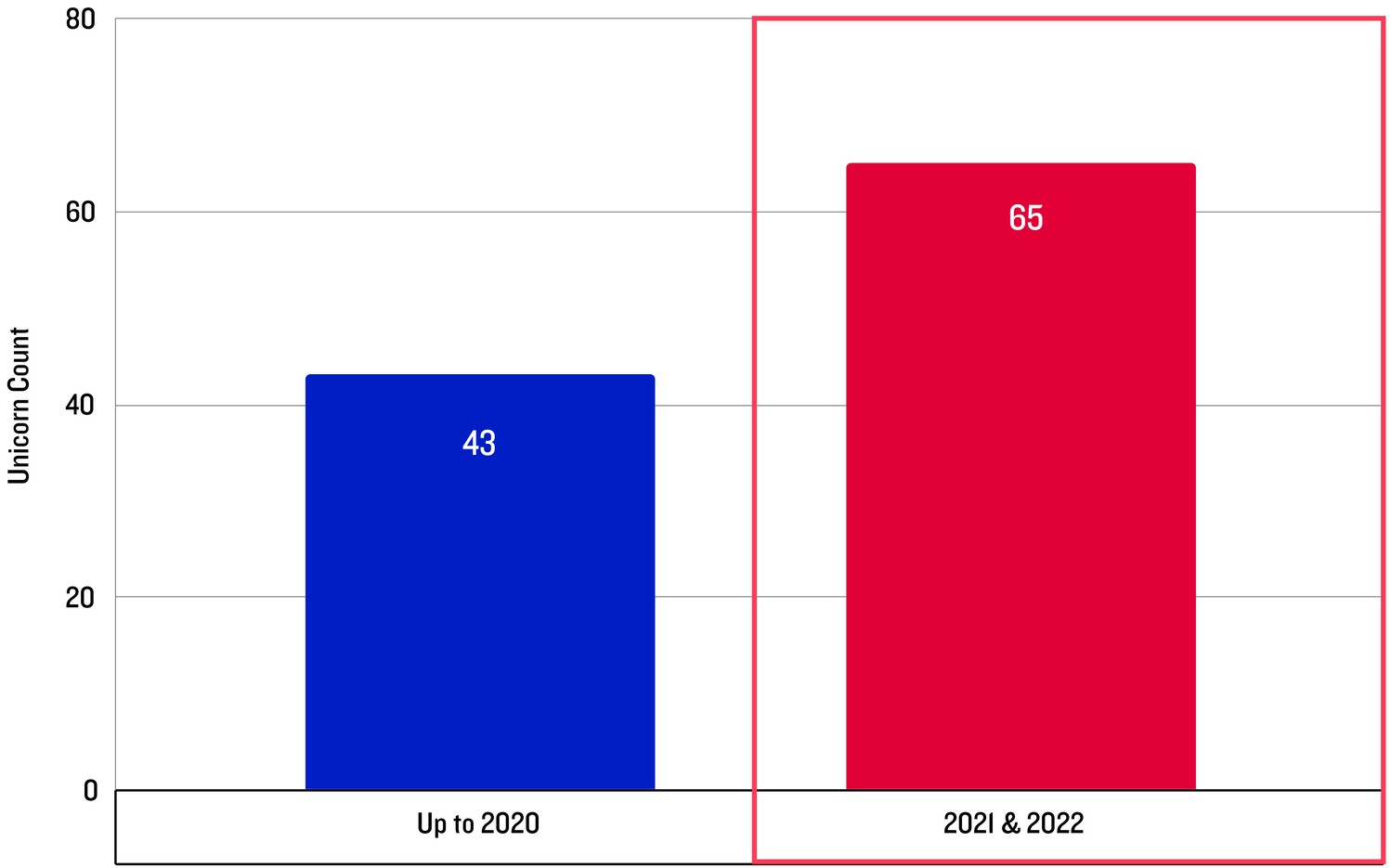
Source: Inc42 (For Indian unicorns), TechAviv (For Israeli unicorns) & CB Insights (for all others)

# India Minted 3x More Unicorns In 2022 Compared To China




Source: Inc42 (For Indian unicorns) & CB Insights (for USA and China)

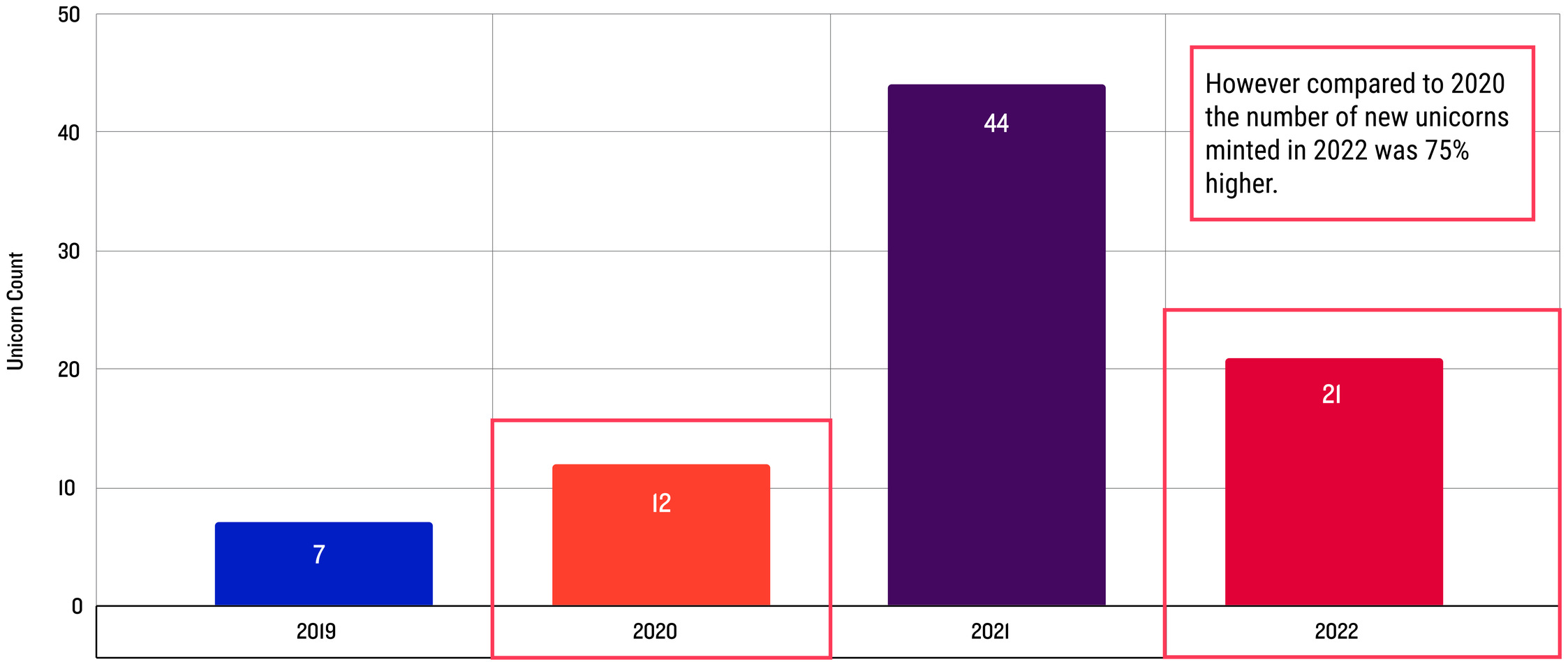
# 60% Of Indian Unicorns Were Minted In 2021 & 2022




The year 2021 saw the most unicorns (44) minted in the history of the Indian startup ecosystem.

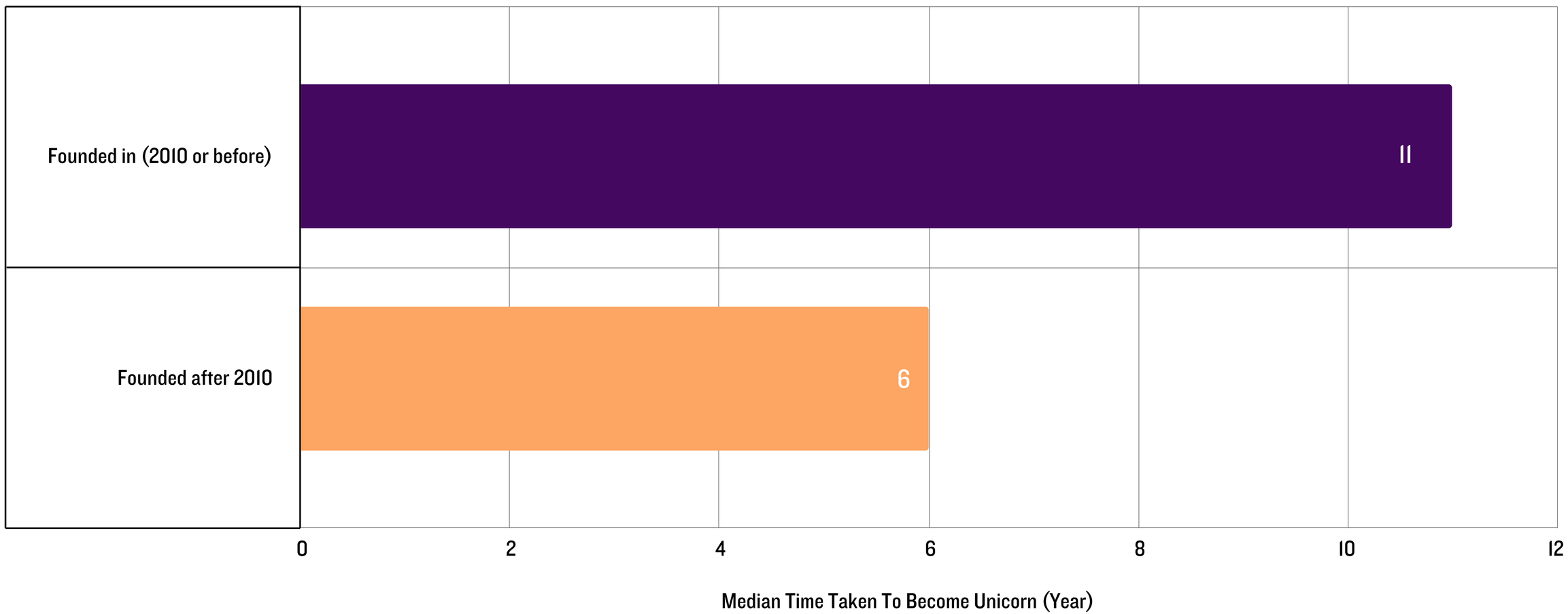
Source: Inc42

# 52% Decrease In New Unicorns Minted In 2022 Compared To 2021



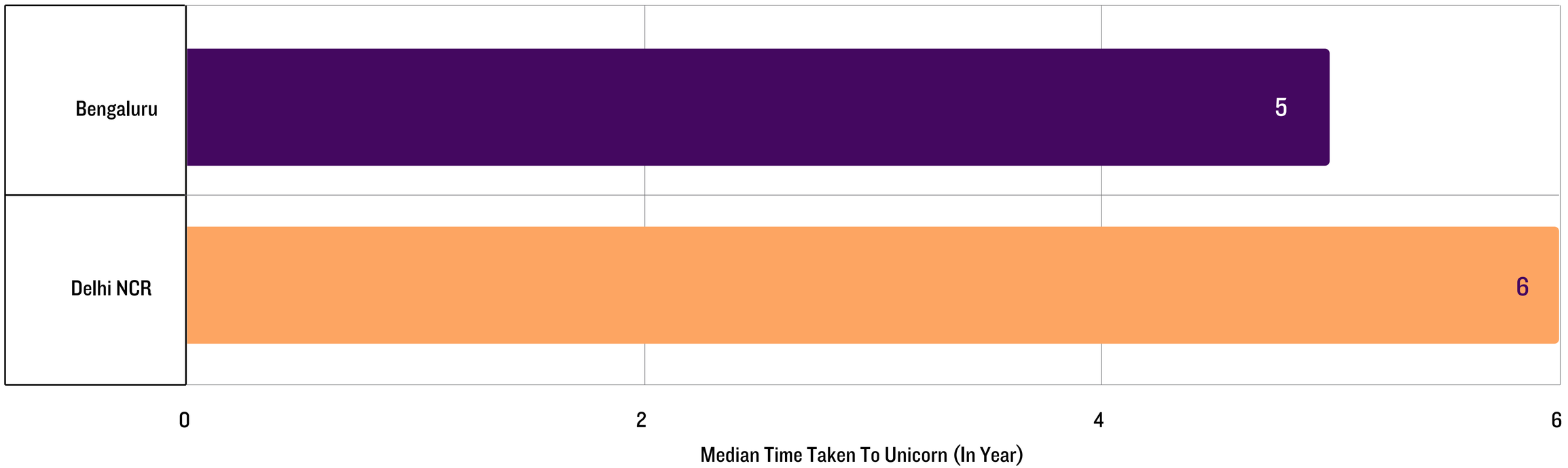

Source: Inc42

# Startups Founded After 2010 Reach $1 Bn Mark 45% Faster Than Predecessors




Source: Inc42

# Bengaluru Mints Unicorns Faster Than Delhi NCR




Median time taken for a Bengaluru based startup to acquire $1 Bn+ valuation is 5 years whereas in case of Delhi NCR it is 6 years

Source: Inc42

# Indian Unicorn Club Of 2022: Startups Which Acquired Unicorn Status This Year

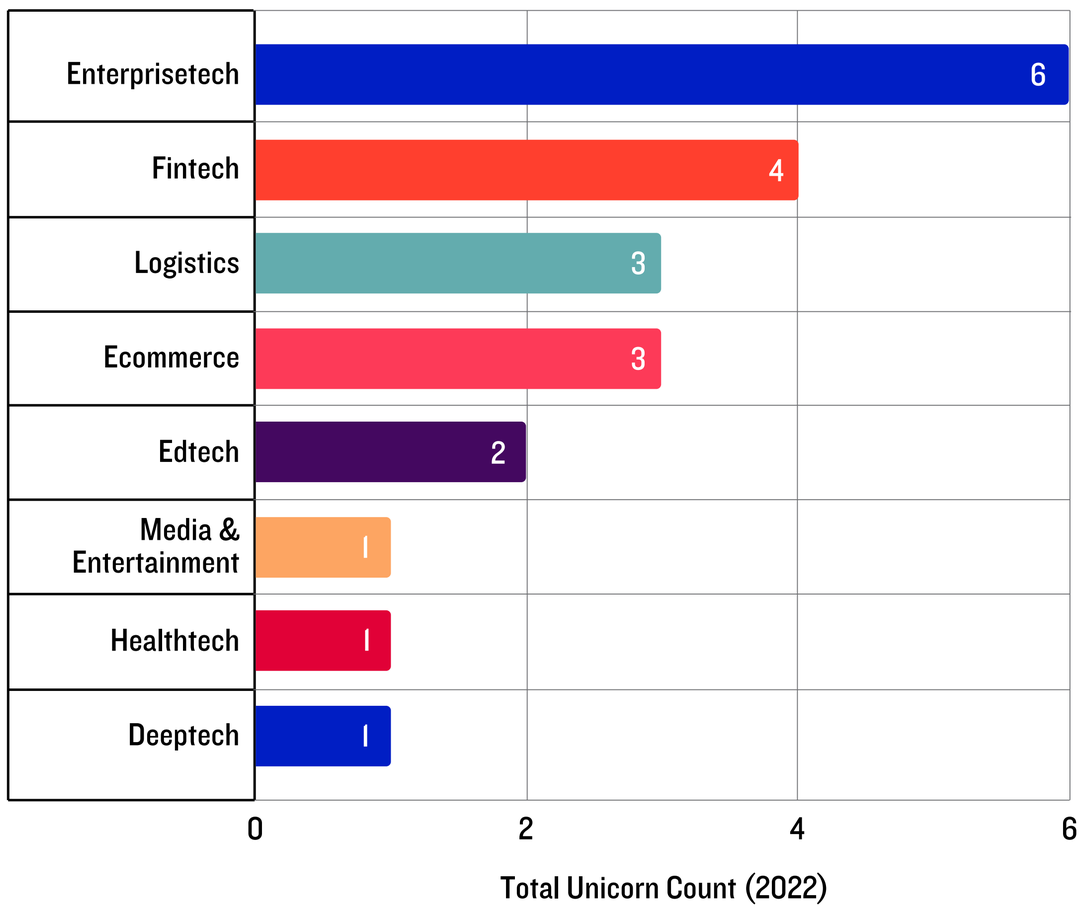
| | Sector | Founded In | Total Years To Unicorn | Last Valuation ($ Bn) |
|---|---|---|---|---|
| TATA 1mg | Healthtech | 2015 | 7 | 1.1 |
| 5ire | Deeptech | 2021 | 1 | 1.5 |
| amagi | Enterprisetech | 2008 | 14 | 1.0 |
| darwinbox | Enterprisetech | 2015 | 7 | 1.0 |
| DealShare | Ecommerce | 2018 | 4 | 1.6 |
| elasticrun | Logistics | 2015 | 7 | 1.4 |
| fractal INTELLIGENCE FOR IMAGINATION | Enterprisetech | 2000 | 22 | 1.0 |

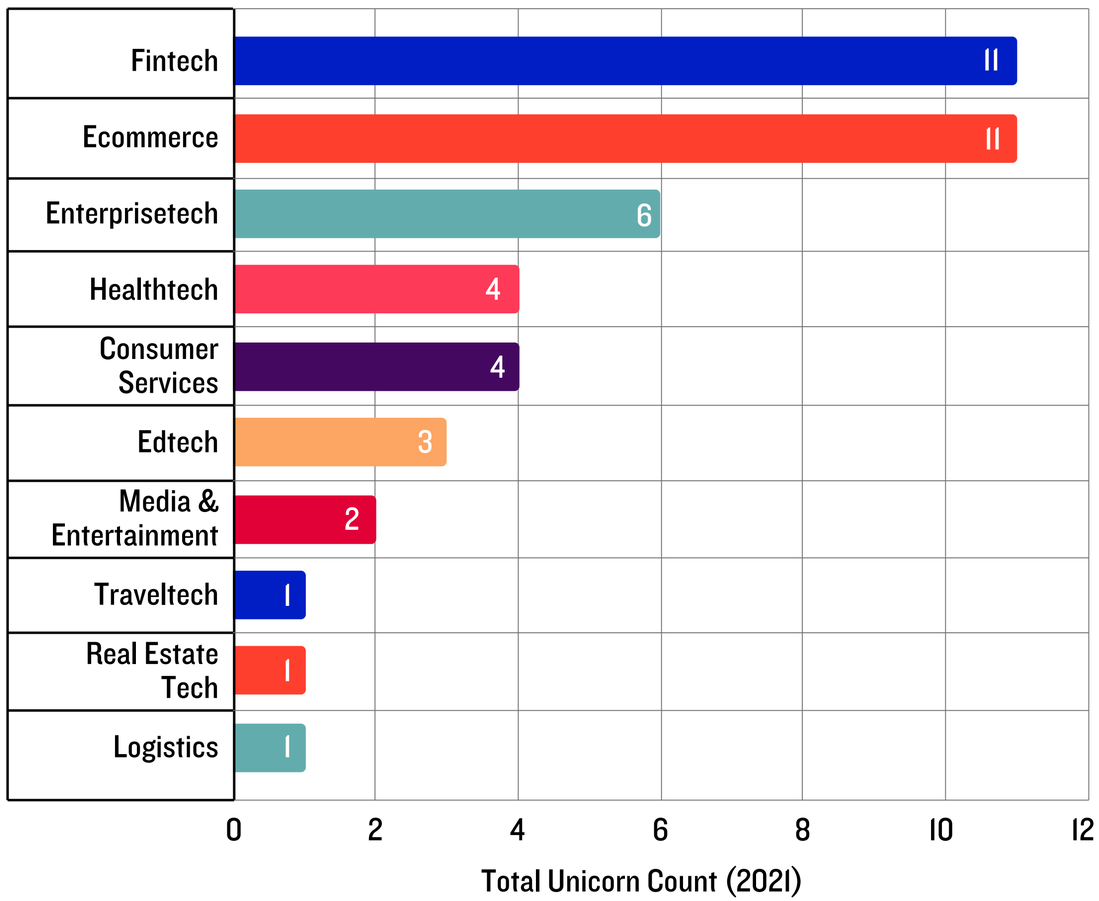
| | Sector | Founded In | Total Years To Unicorn | Last Valuation ($ Bn) |
|---|---|---|---|---|
| GAMES 24 SEVEN | Media & Entertainment | 2006 | 16 | 2.5 |
| HASURA | Enterprisetech | 2017 | 5 | 1.0 |
| LEAD | Edtech | 2012 | 10 | 1.1 |
| leadsquared | Enterprisetech | 2011 | 11 | 1.0 |
| LIVSPACE | Ecommerce | 2014 | 8 | 1.2 |
| one card | Fintech | 2019 | 3 | 1.2 |
| open | Fintech | 2017 | 5 | 1.0 |

| | Sector | Founded In | Total Years To Unicorn | Last Valuation ($ Bn) |
|---|---|---|---|---|
| oxyzo | Fintech | 2016 | 6 | 1.0 |
| PHYSICS WALLAH | Edtech | 2014 | 8 | 1.0 |
| purplle.com India's #1 Beauty Destination | Ecommerce | 2012 | 10 | 1.1 |
| Shiprocket | Logistics | 2017 | 5 | 1.2 |
| uniphore | Enterprisetech | 2008 | 14 | 2.5 |
| XPRESSBEES | Logistics | 2012 | 10 | 1.2 |
| Yubi | Fintech | 2017 | 5 | 1.3 |

# Sector Wise Breakdown: Unicorns In 2022 vs 2021

## Enterprisetech dethrones fintech to emerge the top unicorn producer




Source: Inc42

# Bengaluru Minted The Highest Number Of Unicorns In 2022

| | Unicorn Count | Name Of The Unicorns |
|---|---|---|
| Bengaluru | 6 | amagi, DealShare, HASURA, leadsquared, LIVSPACE, OPEN |
| Mumbai | 4 | fractal, GAMES 24 SEVEN, LEAD, purple |
| Delhi NCR | 4 | TATA 1mg, Oxyzo, PHYSICS WALLAH, Shiprocket |
| Pune | 3 | elasticrun, one card, XPRESSBEES |
| Chennai | 2 | uniphore, Yubi |
| Hyderabad | 1 | darwinbox |
| Dubai | 1 | 5ire |

Source: Inc42

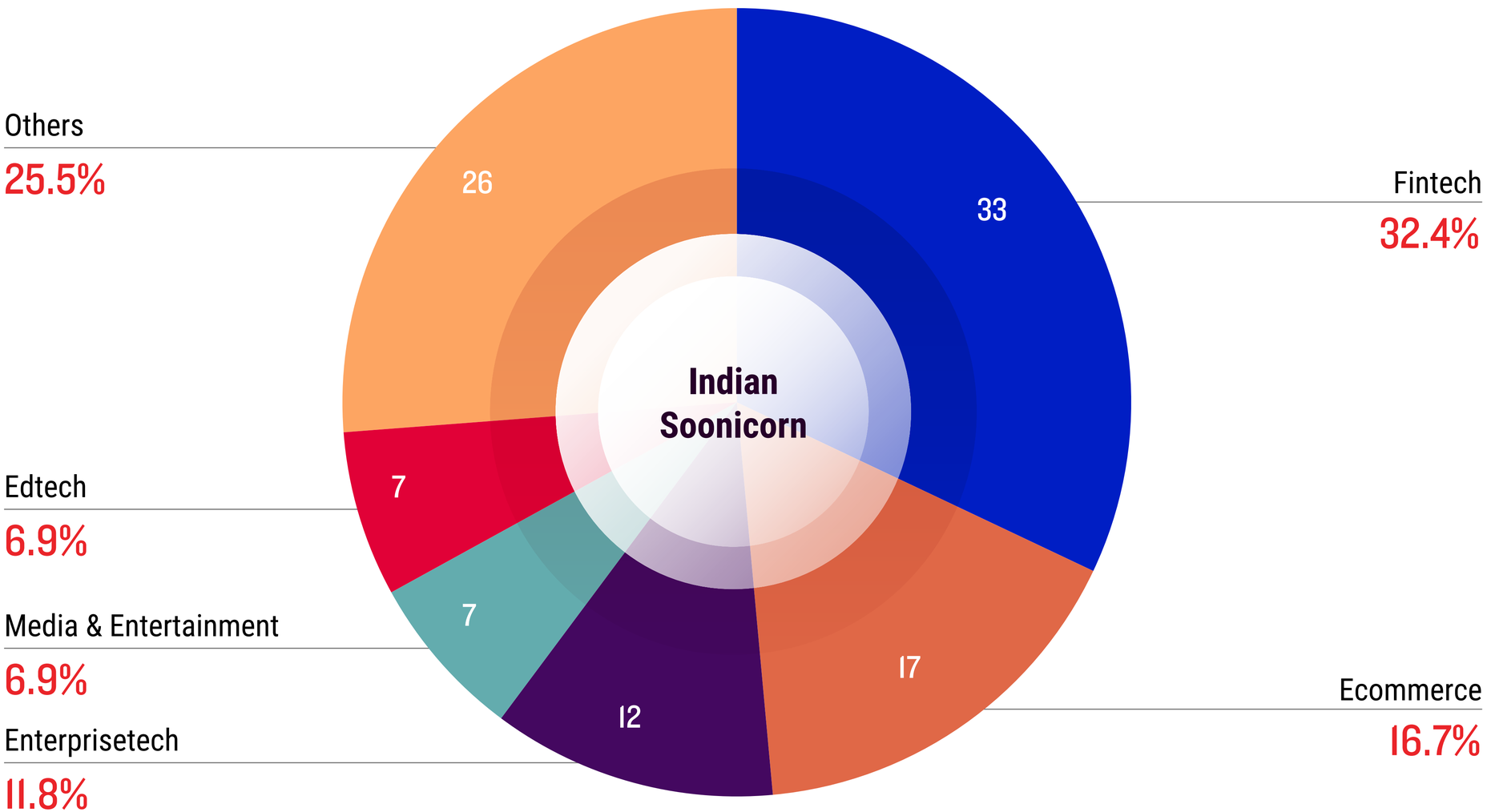
# Women-Led Indian Unicorns: 2020 vs 2021 vs 2022

| | Number Of Women Led Unicorns | Percentage Share In Overall Unicorn Minted | Name Of Unicorns |
|---|---|---|---|
| 2020 | 2 | 16% | Nykaa, Zenoti |
| 2021 | 6 | 14% | ACKO, The Good Glamm Group, mamaearth, MobiKwik, ofBusiness, Pristyn Care |
| 2022 | 7 | 33% | 5ire, amagi, Hasura, LEAD, Livspace, Open, Oxyzo |

Source: Inc42

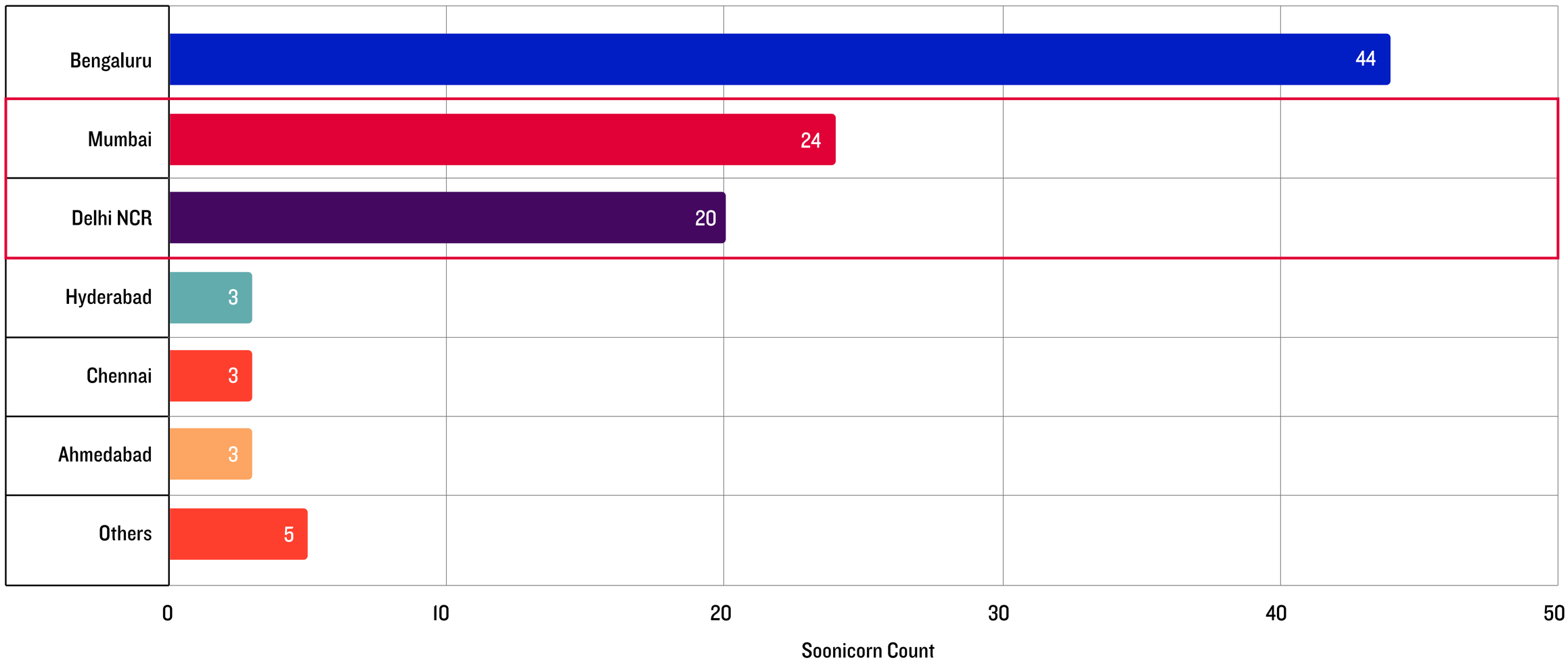
# Indian Soonicorn Landscape

# Fintech To Produce The Highest Number Of Future Unicorns In India




Source: Inc42

# Mumbai To Produce More Future Indian Unicorns Than Delhi NCR




Source: Inc42

# Indian Startup Founders' Survey: Key Highlights

## Top-line revenue

Top Priority Of Indian Founders In Fy24

## 2 Out Of Every 5

Startups In India Reduced Their Annual Marketing Budget This Year

## 60%

Indian Startup Founders Found It Difficult To Raise Venture Capital In 2023

## 78%

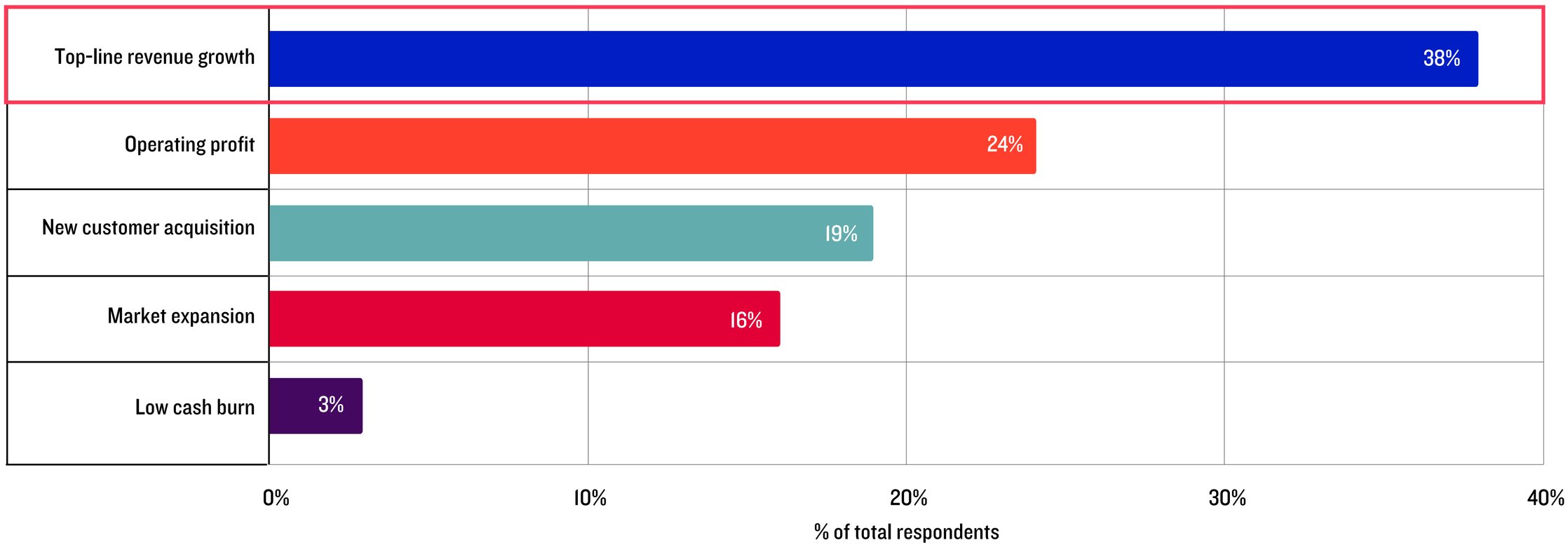
Indian Startup Founders Do Not Anticipate A Slow Down In Annual Revenue This Year

## 16 to 30%

Range In Which Indian Startup Founders Intend On Increasing Their Marketing & It Spend

Source: Inc42's Indian Startup Founder Survey 2022
Total number of respondents= 137 active Indian startup founders
Question asked: As an organisation what will be your north star metric for the coming financial year (FY24)?

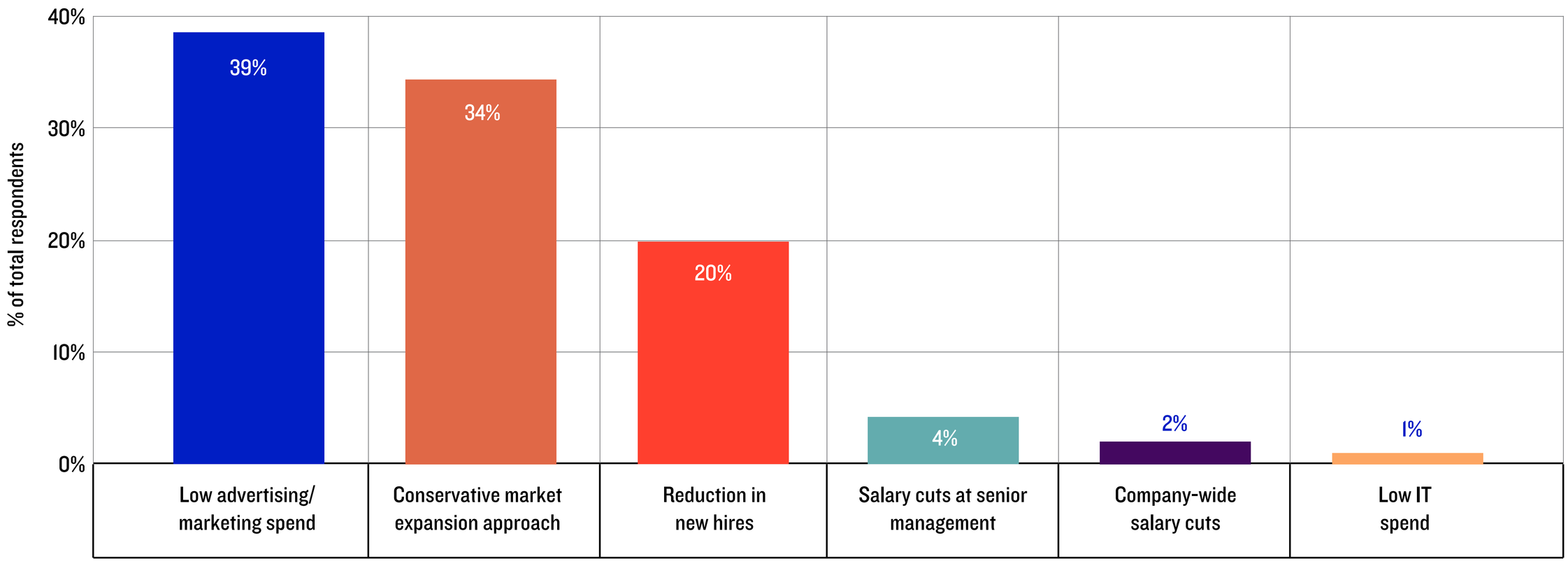
# Top-Line Revenue Growth Is Top Priority For Indian Startups In FY24




Despite the ongoing bear market in the Indian startup ecosystem, the preference for top-line revenue growth over operating profit indicates that market expansion remains popular among Indian founders.

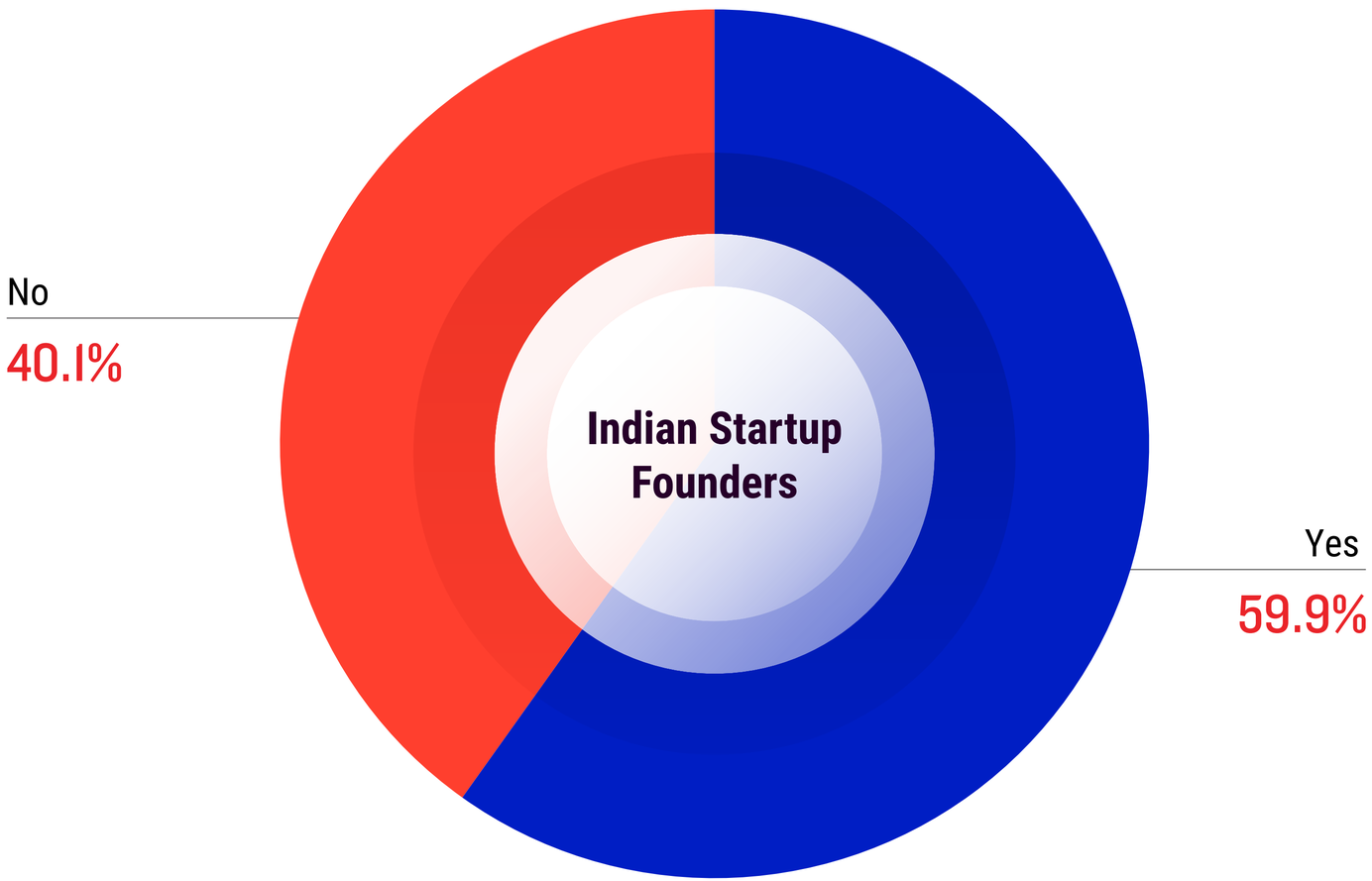
Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: As An Organisation, What Will Be Your North Star Metric For The Coming Financial Year (FY24)?**

# 2 Out Of 5 Indian Startups Reduced Their Annual Marketing Budget In FY23 To Conserve Cash




Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: In Your Opinion, Which Cash Conservation Measure Worked Best For You In FY23?**

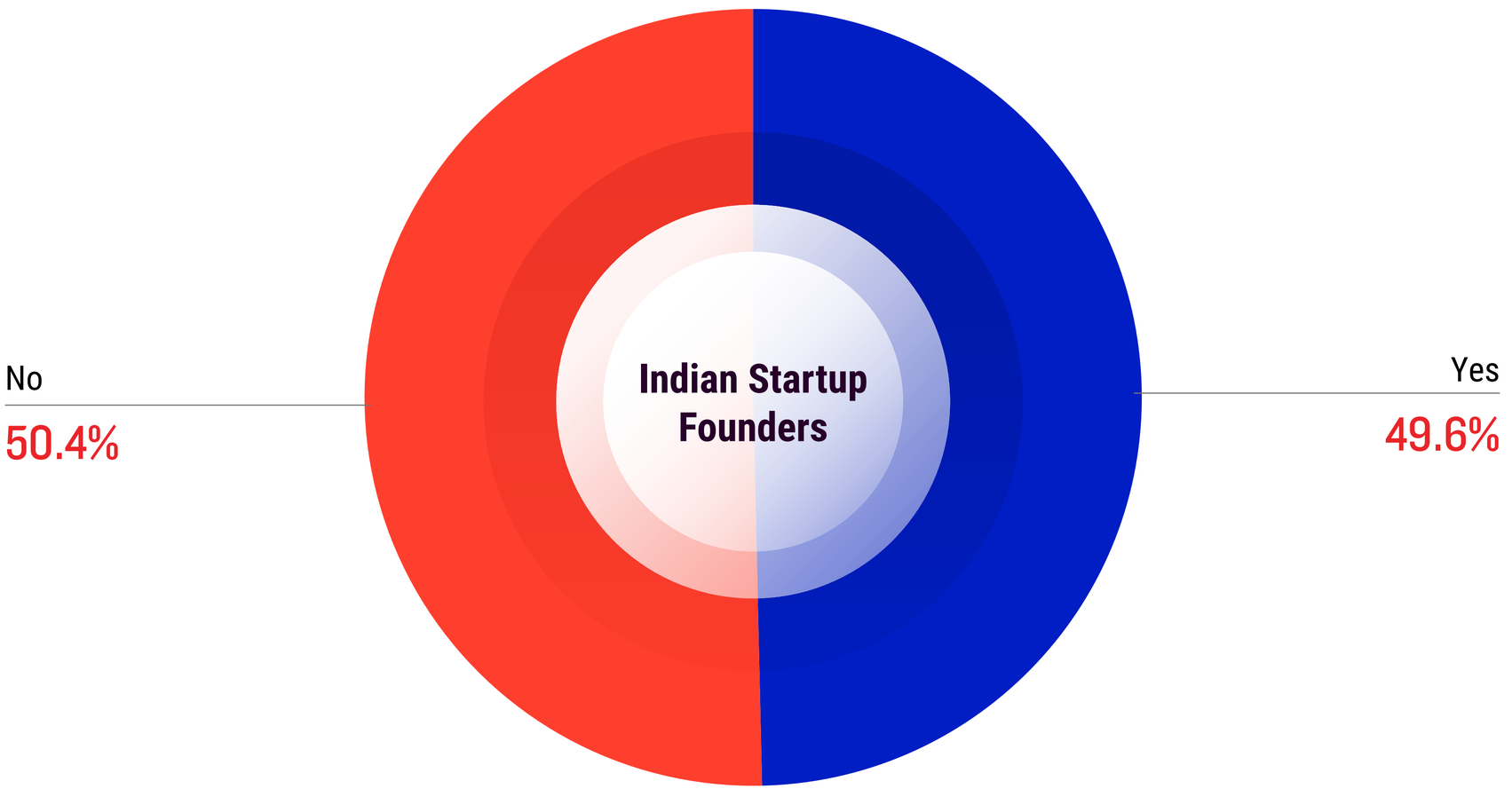
# 60% Indian Startup Founders Found It Difficult To Raise Venture Capital In 2022




This year, the majority of founders rated the difficulty of raising venture capital as 8 out of 10.

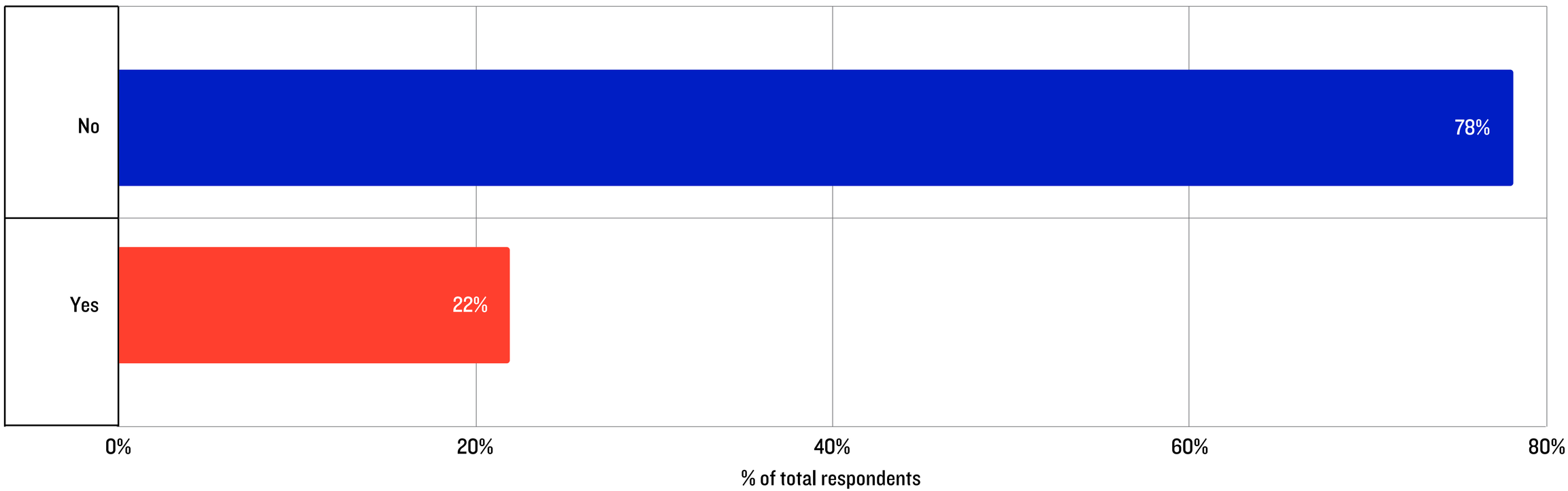
Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: Did You Find It Difficult To Raise Capital In CY22 Compared To 2021?**

# Indian Startups Founders Have Mixed Feelings About IPOs In FY24




Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: Do You Believe, FY24 Is The Right Time For Indian Startups To IPO?**

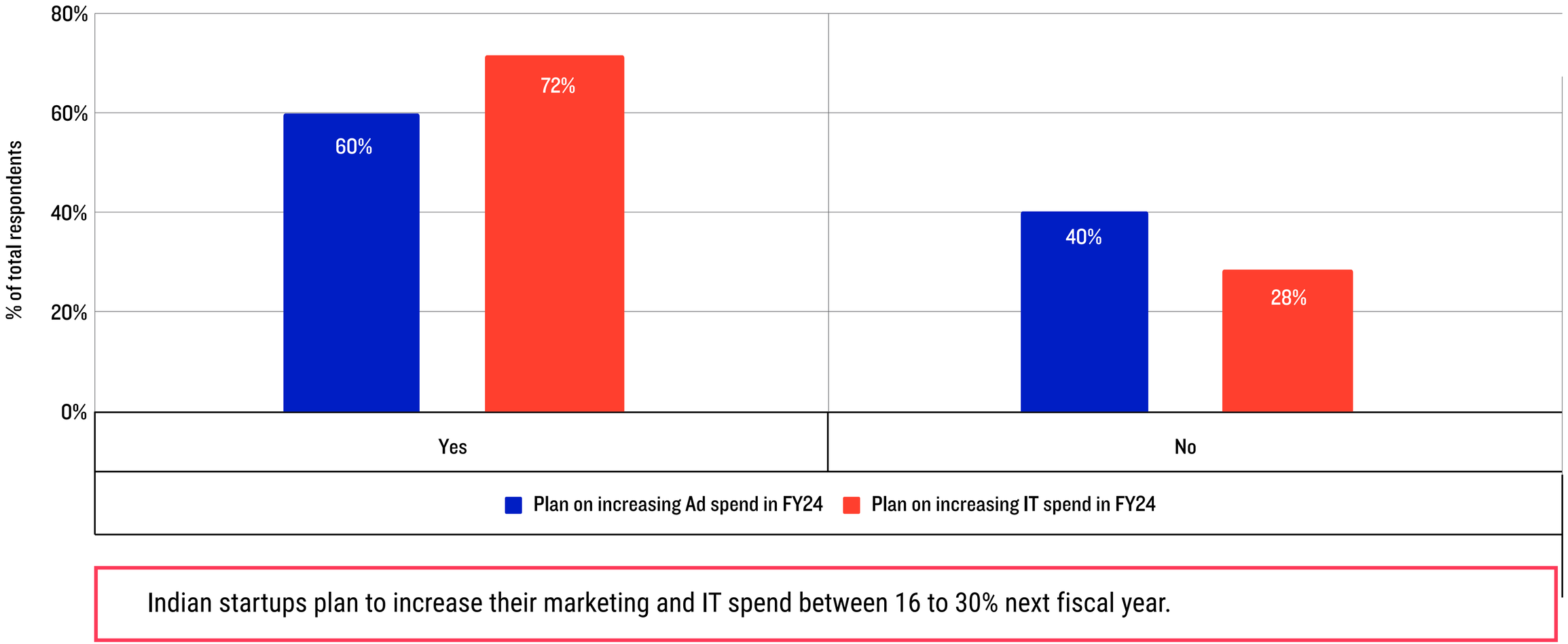
# Indian Founders Do Not Anticipate Annual Revenue Slowdown In FY23




The lack of revenue slowdown expectations explains Indian startups' preference for "top-line revenue growth" as a key performance metric for the coming fiscal year.

Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: Are You Anticipating A Slowdown In Your Annual Revenue In FY23?**

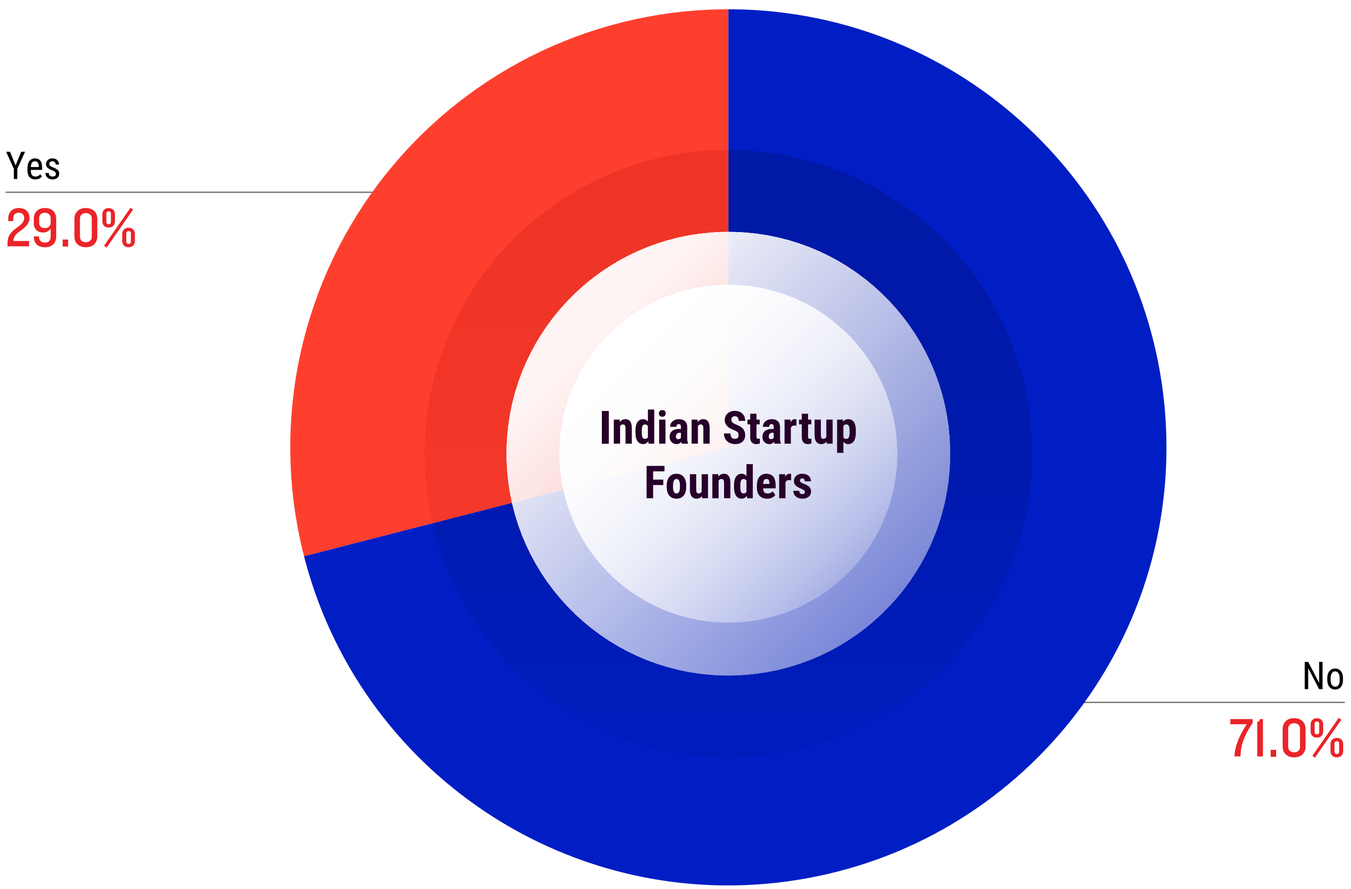
# Majority Of Indian Startup Intend To Increase Their Marketing & IT Spend In FY24




Indian startups plan to increase their marketing and IT spend between 16 to 30% next fiscal year.

Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: Do You Intend To Increase Your Advertising/It Spend In FY24?**

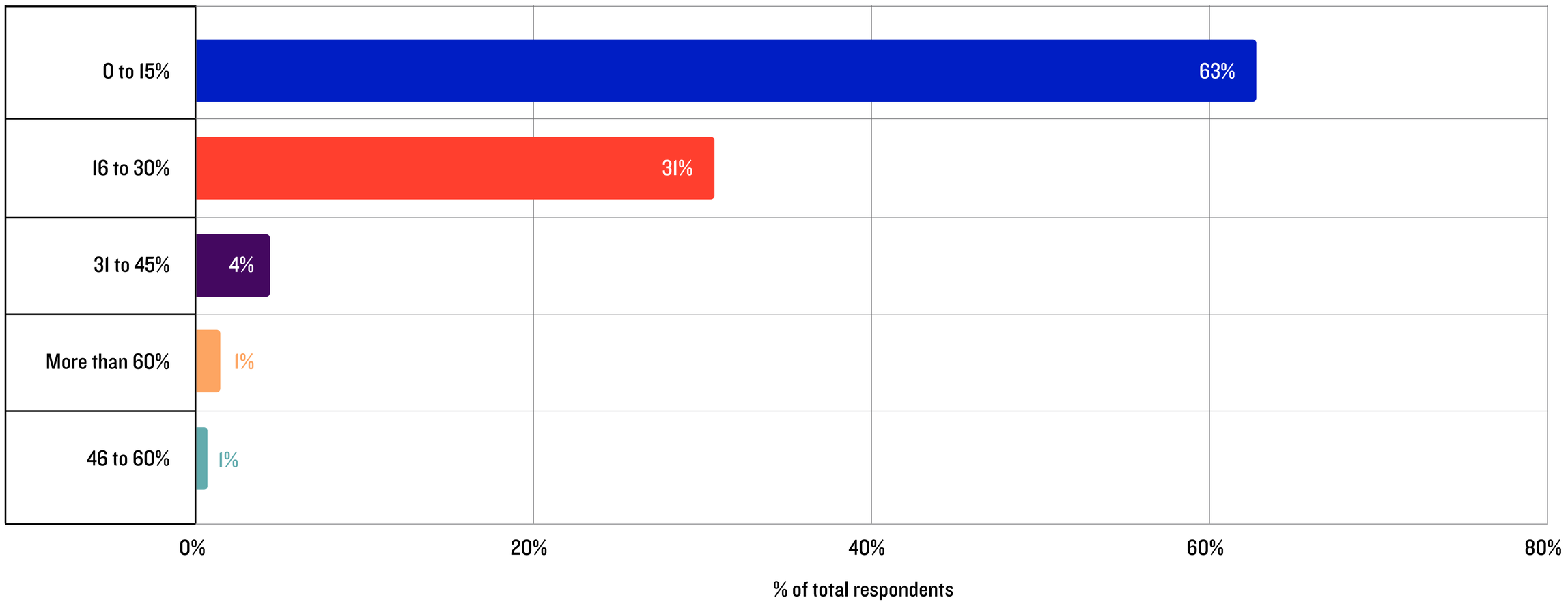
# 70% Indian Founders Do Not Intend On Reducing New Hires In FY24




Majority of Indian startups plan to increase their headcount in FY24 up to 15 or less.

Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: Do You Intend To Reduce New Hires In FY24?**

# Indian Startup Founders Intend To Keep Annual Appraisals Under 15% In FY24




Source: Inc42's Indian Startup Founder Survey 2022
Note: Based On Survey Of 150+ Indian Startup Founders
**Question Asked: What Is The Estimated Organization-wide Salary Appraisal (%) That You Intend To Provide To Your Employees In FY24?**

Inc42

# Indian Startup Investors' Survey: Key Highlights

## 87% VCs

Believe That FY24 Will Carry Forward The Ongoing Conservative Market Sentiment Toward Startup Investments

## 51% VCs

Believe That FY24 Will Not Be The Right Time For Startup IPOs In India

## 80% Indian VCs

Intend On Investing In More Startups In FY24 Compared To FY23

## Operating Profits

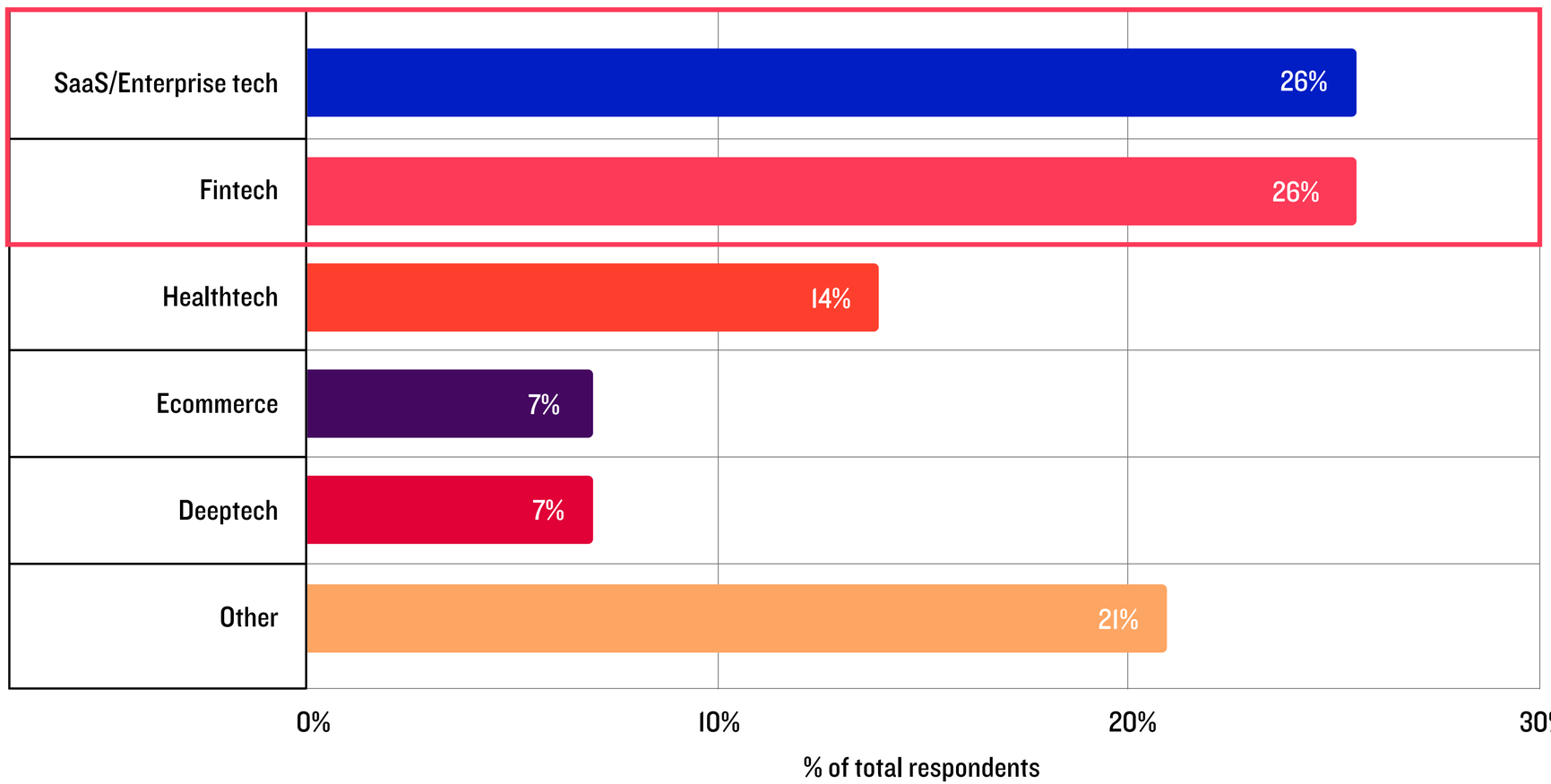
Will be Ideal North Star Metric For Indian Growth Stage Startups In FY24

## LPs Capital Inflow Slowdown

Anticipated In FY24 By Indian Vcs

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India

# Enterprisetech & Fintech Will Continue To Drive Investor Confidence Next Fiscal Year

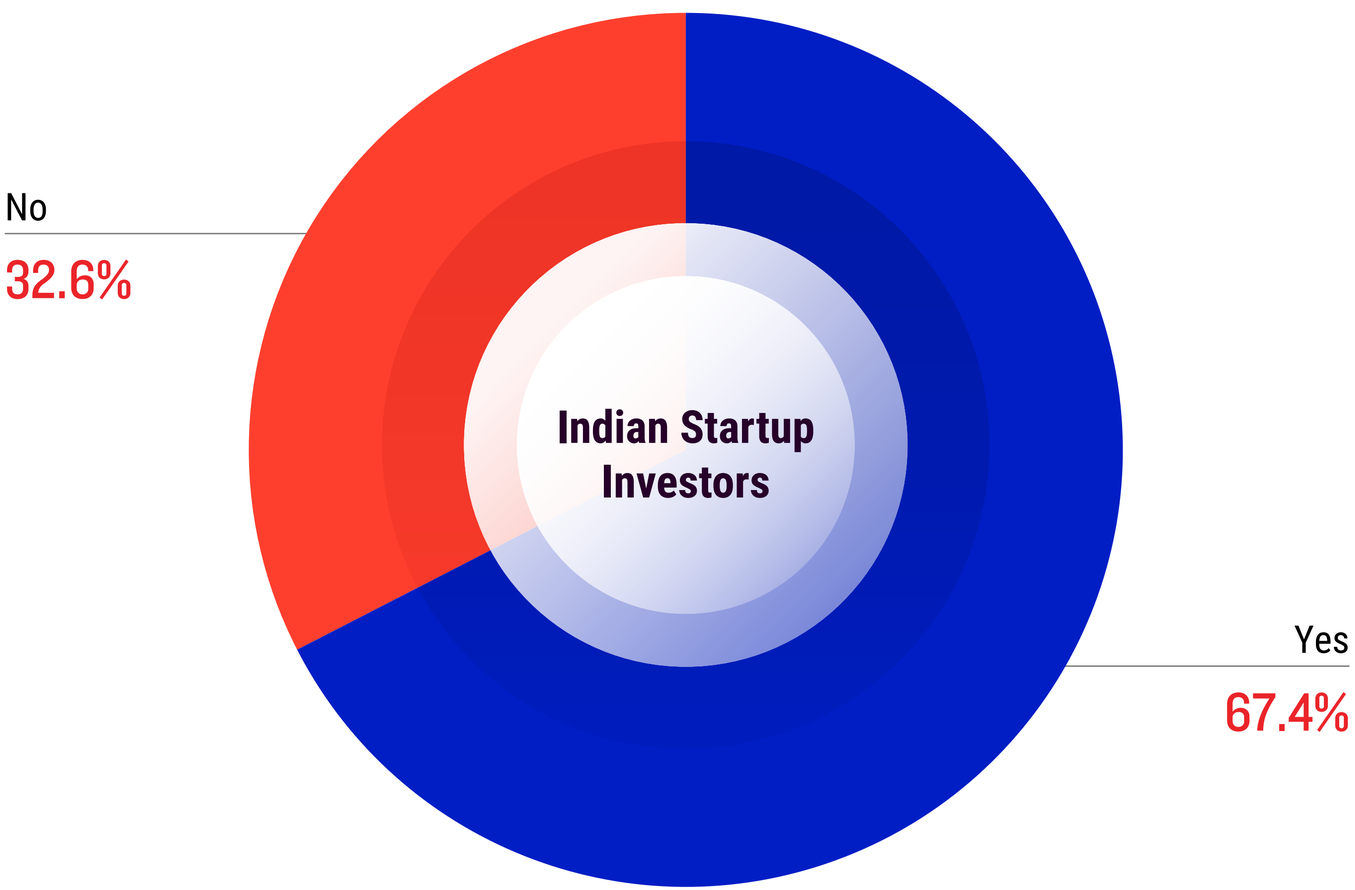



High investor confidence toward enterprisetech and fintech can further be ascertained from the fact that these two sectors are also on top in terms of total venture capital inflow this year

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Among The Following Which Sector Are You Most Bullish About In FY24?**

Inc42

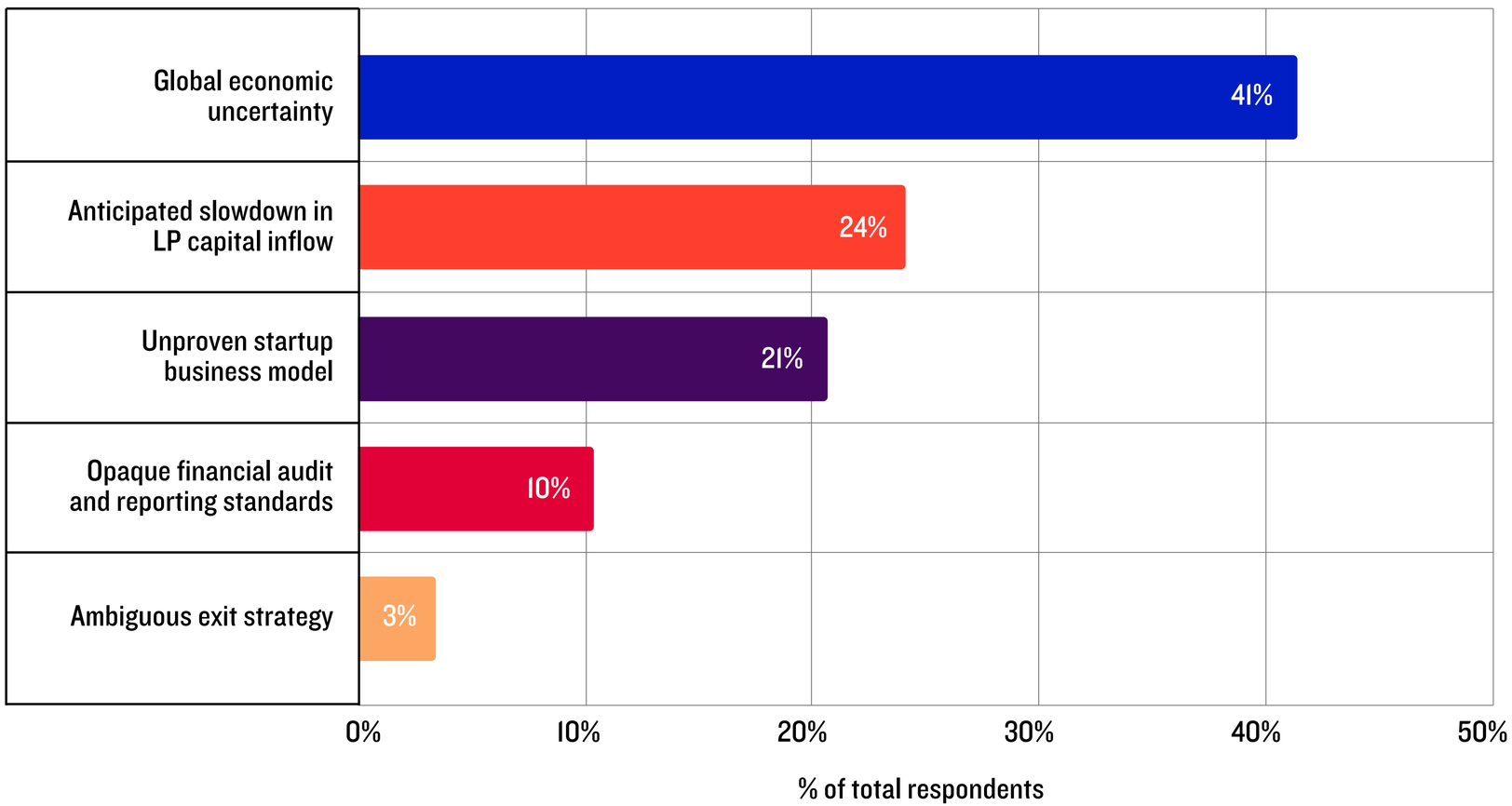
# Indian Startup Funding To Remain Bearish In The Next Fiscal Year




Three out of every five VCs in India believe that the current conservative investor sentiment toward startups will continue in FY24.

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Do You Believe That Conservative Investor Sentiment Toward Indian Startup Investment Will Prevail In The Coming Financial Year (FY24)?**

# Adverse Macroeconomic Factors Will Influence Bearish Sentiment Toward Indian Startup In FY24

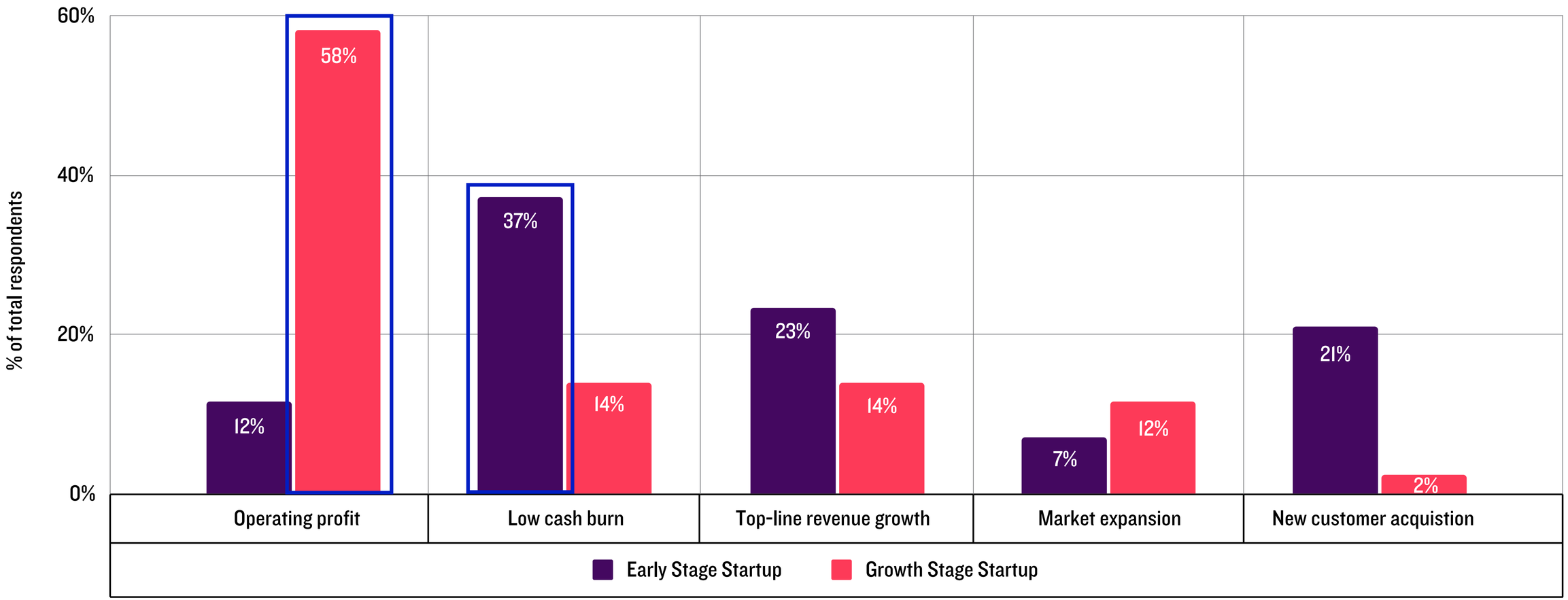



An anticipated slowdown in fundraising activity for the investors was the second most popular reason behind the prevalence of conservative investment sentiment toward Indian startups next financial year

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: What Is The Primary Reason Behind Bearish Investor Sentiment Toward Indian Startups In FY24?**

Inc42

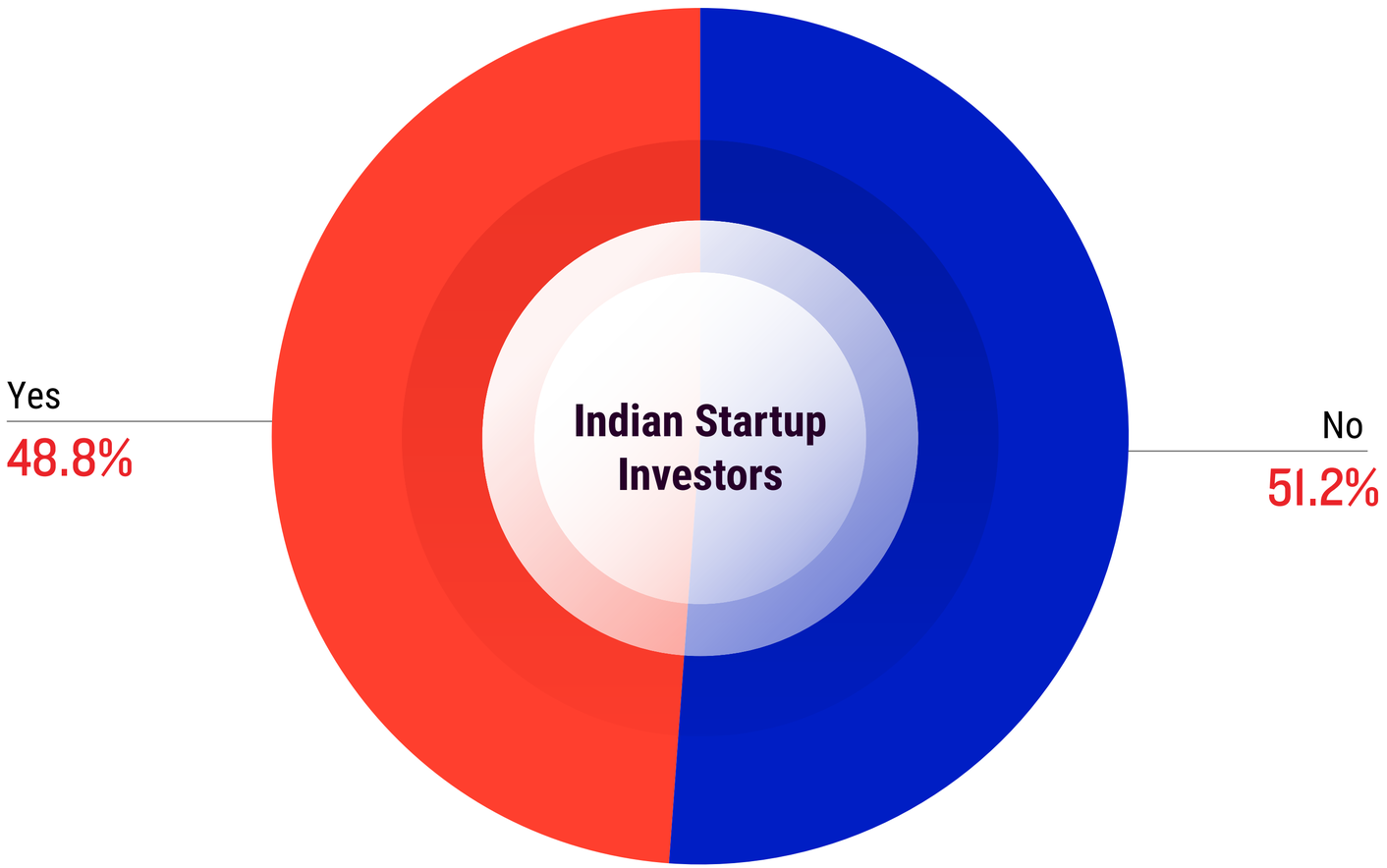
# North Star Metric For FY24: Operating Profits For Growth Stage & Low Cash Burn For Early Stage Startups




Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: What Should Be The North Star Metric For Growth/Early Stage Startups In FY24?**

Inc42

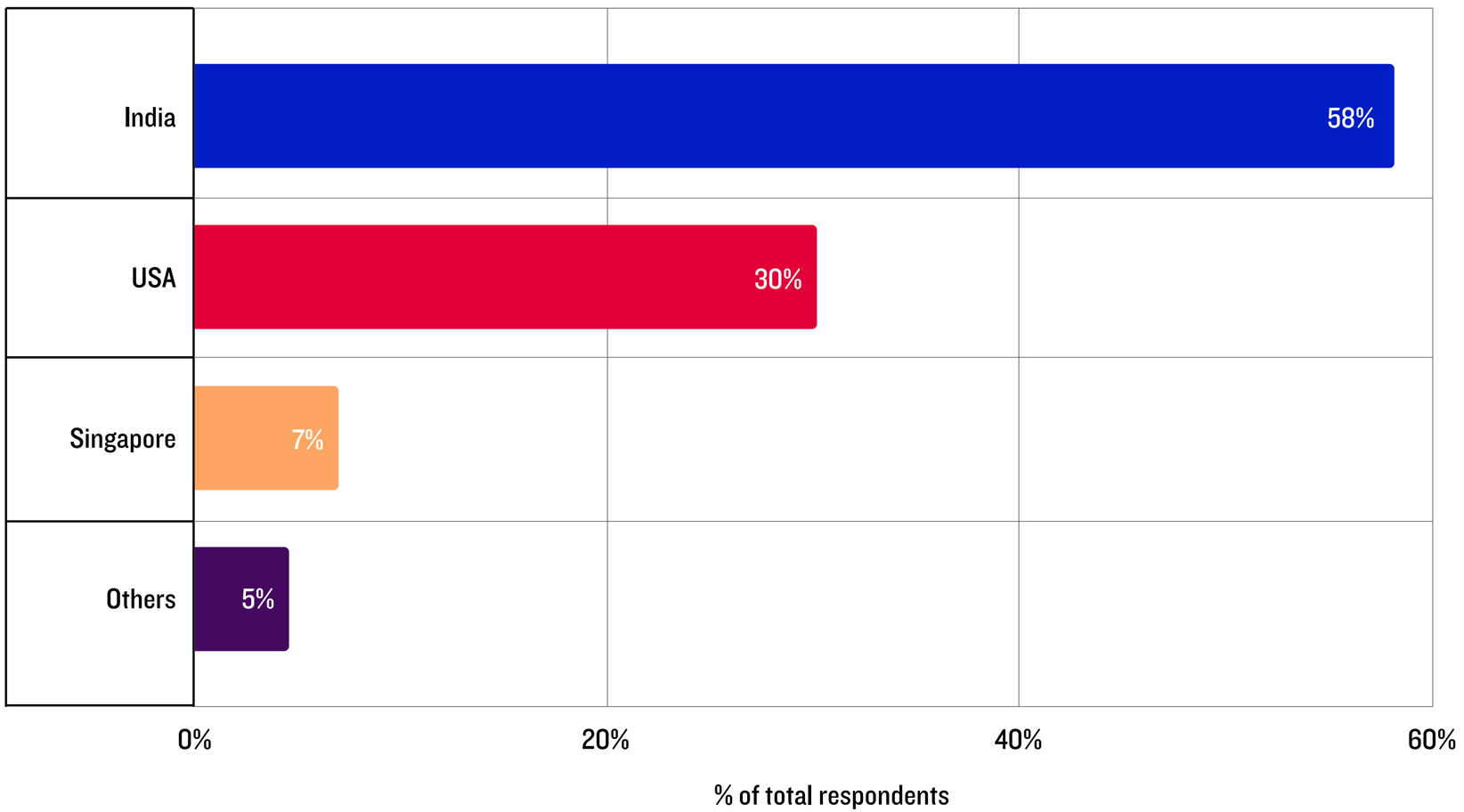
# Investors Divided On Whether FY24 Will Be Ideal For Indian Startup IPOs




"Lack of understanding of startup business models" — cited as main cause for negative market sentiment towards Indian startup IPOs

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Do You Believe That FY24 Is The Right Time For Indian Startups To IPO?**

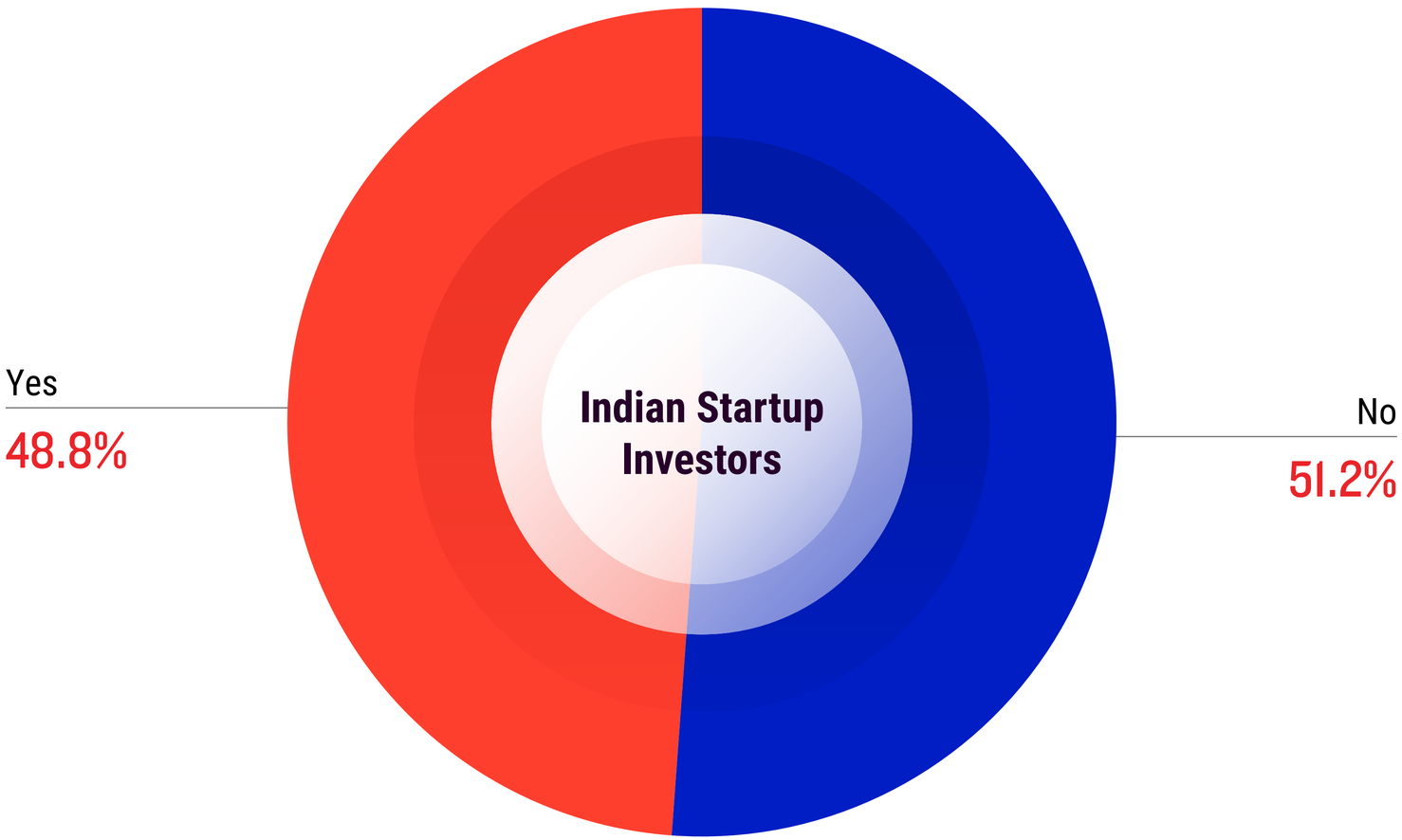
# IPO In India Better Than Abroad For Indian Startups In FY24




The majority of Indian venture capitalists believe that public listing in the domestic market is a better option for local startups than international.

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Ideal Markets For Indian Tech Startups To IPO In FY24?**

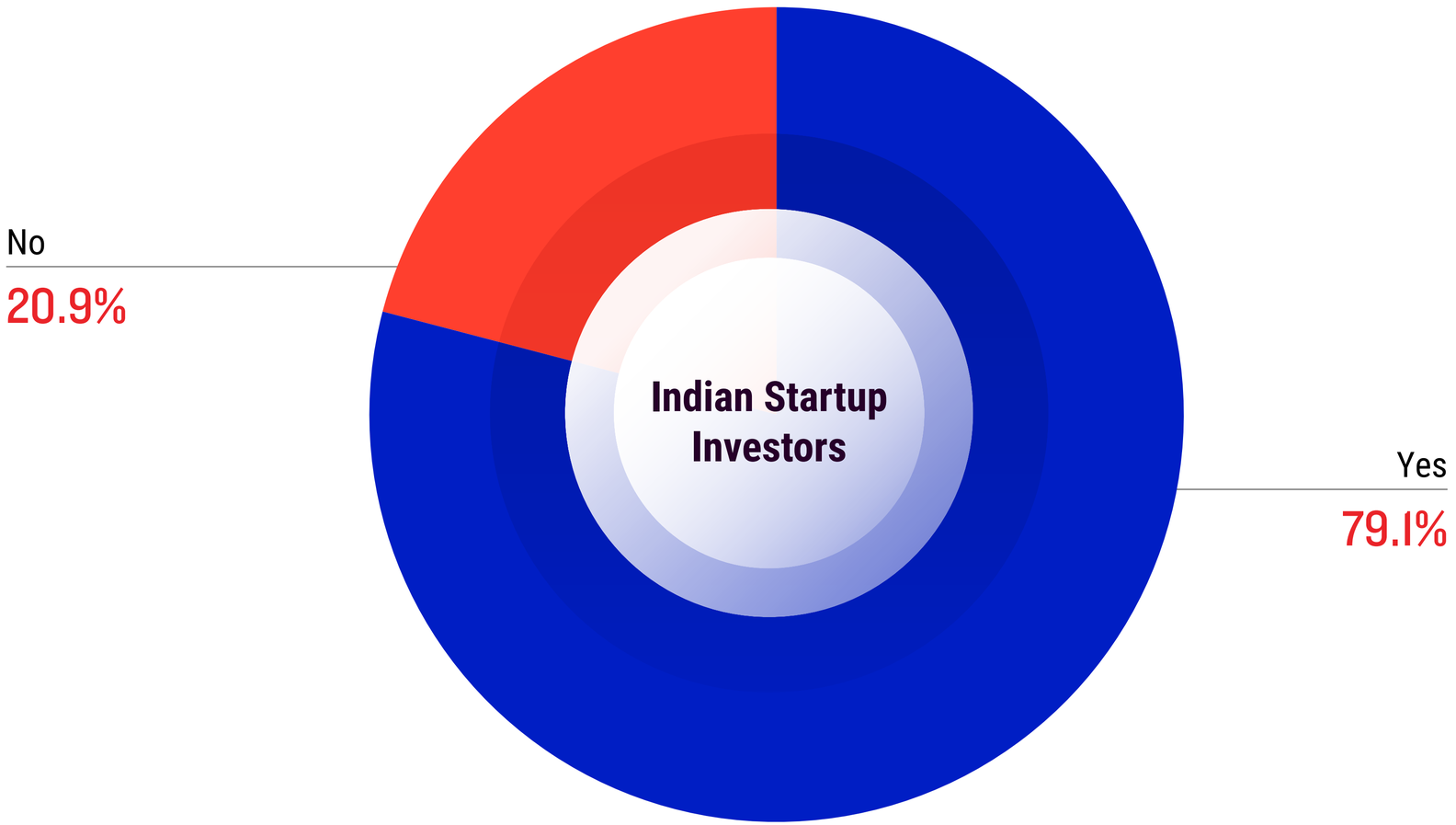
# Majority Of Indian VCs Anticipate A LP Capital Slowdown In FY24




The majority of Indian venture capitalists believe that public listing in the domestic market is a better option for local startups than international.

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Do You Anticipate A Slowdown In Limited Partner (LP) Capital Inflow In FY24?**

# 80% VCs In India Intend On Increasing The Number Of Investments In FY24




Despite the fact that Indian VCs anticipate a slowdown in LP capital inflows, they remain committed to increasing deal frequency. Profitable startups at the growth stage and low-cash-burn startups at the early stage are preferred.

Source: Inc42's Indian Startup Investor Survey 2022
Note: Based On Survey Of 50+ Active Investors In India
**Question Asked: Do You Intend To Increase Or Decrease The Number Of Startup Investments In FY24 Compared To FY23?**

# Predictions & Trends To Watch Out For In 2023

# Fintech Trends To Watch Out For In 2023

## More Consolidation On The Cards

Fintech in India was the top-funded sector in H1 (January-June) 2022. However, fintech startups have fallen short of becoming profitable. Of the 22 fintech unicorns, only four companies – CredAvenue, Oxyzo, Pine Labs and Zerodha – are on the profitability path. If the funding winter continues, experts expect a significant surge in merger and acquisition (M&A) activity across the fintech sector in the near future, as startups looking to expand their revenue streams.

## Primary Focus On Achieve Profitability

Business models that have sufficient liquidity and lower cost-to-income ratios are more likely to reach profitability and thrive in 2023. There are about 33 fintech soonicorns with a total valuation of $12 Bn, and 22 unicorns with a combined valuation of $68 Bn. One needs to continuously improve underwriting models, leverage tech to reduce operational expenditure, and have a clear plan to reduce the cost of funds at scale, in order to seek profits. This lean period is a battle for the fintechs to test their adaptability and the ones that do will emerge stronger.

## Insurtech To Thrive

The significance of data analytics in fintech operations is rising rapidly, with alternative data emerging as a powerful tool to enhance credit outreach to underserved and unserved sections. In the year 2023, companies will continue to explore new methods to collect and use data to understand customer dynamic requirements accurately as well as design products. Using machine learning and image processing technologies such as OCR (optical character recognition) can significantly improve the claims experience for insurance companies and customers. Insurtech startups will utilise more tech to offer bundled insurance products as well as offer personalisation.

## Tier 2 & 3 Growth Will Continue

The pandemic underscored a need for digital and financial empowerment of India's hinterland which is home to nearly 70% of the population. With access to smart connected devices, the UPI network, these parts of India are becoming digitally and financially literate faster. These emerging markets are potential drivers of fintech growth, and startups need to leverage tech to curate customized solutions for this untapped audience. Besides enhancing the customer experience, technology is critical to build trust, credibility, security which are key considerations for these underbanked masses.

## Bank And NBFC Partnerships To Flourish

Banks and NBFCs have realised that fintechs are partners and not competitors. They are driving innovation and increasing inclusion through newer distribution avenues and enhanced customer experience. RBI and other regulatory intervention in fintech is bound to increase in 2023, to ensure compliance in operations while also enabling and supporting sustainable growth of the sector. In the short term, regulators will look to ensure that fintech startups continue to work with banks and NBFCs to boost tech-led financial inclusion.

# Ecommerce Trends To Watch Out For In 2023

## Digital Inventory Will Be A Crucial Innovation For Retailers

Tech-infused physical stores with digital inventories will level the playing field for offline retailers and give them a chance to compete with larger online platforms and sellers. This becomes even more crucial as customers expect the same inventory selection at better prices from offline retailers as offered by ecommerce platforms. This will also support the need for human connection which has seen offline shopping gain momentum in the past year.

## Last-mile Delivery Will Be In Focus

Last-mile delivery is perhaps the most critical part of the product distribution cycle and can make or break the customer experience. With ONDC in play in 2022 and expanding in 2023, we will see more companies emerging in this segment. This will not only support the omnichannel experience that brands are targeting but also reduce wastage, returns and and bring in sustainability.

## Online Shopping Will Go Deeper

India's ecommerce user base will grow at 23% CAGR to reach 500 Mn by 2030. Both in rural and urban centres, ecommerce marketplaces and brands are expected to delve deeper to tap this growing user base. Along with a focus on customers in smaller towns and cities, we will see the emergence of category-specific platforms for such segments in the market which are relatively untapped.

## More Impetus On Vernacular, Video Content, And Voice Search

While ecommerce companies have already latched on to voice shopping, localisation through languages to reach shoppers outside metros, we expect more and more brands to join the bandwagon as they seek growth in non-traditional markets outside the cities.

## Quick Commerce Will Continue To Be In Focus

The trend which picked up its pace during Covid-19 will continue to entice users and investors alike. Instant deliveries or quick commerce has created a new wave of startups, driven M&As and gained investments in the past two years. In 2023, more and more D2C brands will make a play to tailor their distribution to fit quick commerce operations, just as FMCG giants have pivoted to cater to this channel in 2022.

# Healthtech Trends To Watch Out For In 2023

## Hybrid Healthcare Models Will Gain More Attention

Hybrid healthcare models that combine online consultations and offline treatments, preventive care, remote monitoring and in-person therapy will be in vogue in 2023 as consumers seek better end-to-end health management from platforms. Besides this healthcare platforms that analyse data and present insights are expected to gain traction due to the proliferation of smart devices.

## Healthtech Startups Will Delve Into Specialisations

Given the need to demonstrate tangible outcomes, health tech will become increasingly specialised in specific areas such as therapeutics, biotech, neural networks, patient monitoring and IoT-based innovation. Niche sectors such as genomic tech and life sciences will start becoming the baseline for innovation in healthtech, which is likely to lead to personalisation of services like nutrition and fitness.

## Tier 2/3 Markets Will Continue To Provide Growth Opportunities

Affordable tertiary care, expansion of trade generic medicines and teleradiology, and remote diagnostics solutions will become key focus areas for 2023. Digital healthcare is a low-hanging fruit in Tier 1 cities, but the majority of healthcare in rural and semi-urban India is unorganised. Moves to consolidate this sector through models like franchising are picking pace. The vernacularisation of healthtech services and region-specific therapeutic platforms will present another area of growth outside the metros and Tier 1 cities.

## More Collaboration Between Healthtech And Legacy Players

Traditional players in healthcare delivery and diagnostics are looking to rapidly digitise the customer experience from acquisition to care delivery to monitoring, and medication management. Legacy players with weak digital competencies will partner with younger health-tech enterprises, while for startups collaboration will lead to more sustainable customer acquisition.

## Large Chunk Of Primary Healthcare Will Move To Digital Or Remote

n line with changing patient dynamics, we expect that more healthcare consumers will move to digital or remote consultations for primary healthcare services. Referring to digital media for health advices and solutions, teleconsultations, healthcare ecommerce and maintaining healthcare related data digitally will be some if the key trends we have already seen in the post COVID world. These trends will further intensify in 2023.

# Media & Entertainment Trends To Watch Out For In 2023

## Advertising Industry Will Continue To Thrive

Despite the macro-economic outlook and focus on maximising the return on ad spends (ROAS), analysts foresee a strong growth in digital and mobile advertising spends by brands in the coming year. New channels such as lockscreen marketing are complementing sustainable martech innovation around data and identity, which are critical for ROAS gains.

## Audio Series Or Longform Podcasts To Rise

With increasing fatigue around the visual entertainment formats, audio series as a category will boom to supplement the podcast growth. Analysts believe this is the evolution of binge-listening for the podcast generation, and such long-form yet byte-sized storytelling is complementary to the young generation of India that is always on the move.

## Micropayments And Bundling Experiments

Given the explosion in OTT platforms and content, the long-term subscription model is losing its charm. Bundling or aggregation and microtransaction-based access will be in fashion in 2023, as entertainment cost is typically discretionary and the growing inflation has reduced the purchasing power and inclination of consumers.

## Localisation Will Drive Gaming Growth

Given that there are more non-English internet users in India, it was only a matter of time before the gaming industry went regional. As per a Lumikai report, 80% of gamers in India prefer localised gaming content and 69% of non-gamers would still play an Indian game over a non Indian one. Plus, tapping into markets outside metros necessitates a more localised approach from game creators.

## Accessibility Will Be The Key Pillar

Despite the launch of 5G in 2022, connectivity is patchy in more parts of the country and even in large cities due to congestion. This hampers OTT, gaming and digital media experience significantly. As more and more users come online, the focus will turn to ML-based streaming tools and streaming technology platforms that work in load-balancing and bandwidth management.

# Edtech Trends To Watch Out For In 2023

## Hybrid Mode Of Learning Will Be The Way Forward

As evident from the developments at edtech giants such as BYJU'S, Unacademy, Vedantu, PhysicsWallah in 2022, the transition towards hybrid learning has already begun and this will continue to deepen in 2023. In particular, hybrid operations will look to capture untapped markets where so far even traditional coaching centres have not entered. People costs associated with offline expansion will be critical for these companies to manage.

## Upskilling And Vocational Training Will Be The Most Sought Sectors

Skill development, tech certification, platforms for vocational training improve employability of candidates and income potential will continue to grow as they have done in 2022. Unlike K-12 or test prep, skill development or certification training is seen as a direct investment towards a better career, and these areas typically show growth especially in a downturn.

## Heavy Consolidation Across Test Prep, K-12

Edtech sector has grappled with losses and layoffs in 2022, and founders have shifted focus from unrealistic valuations to profitability at any cost. Those startups that cannot meet sustainability will fall by the wayside, as investors have warned, leading to a situation which sees distress sales and M&As galore. In 2022, five edtech startups had to shut shop, and more such shutdowns could be in store for the sector in 2023.

## Affordable Education Will Be In Focus

With schools reopen, edtech players have shifted their focus to grassroots marketing and are also looking to create affordable or free products and courses for students. The sector has come under criticism for exorbitant pricing and this is seeing a big correction. Regional language courses will become a growth factor for untapped markets outside Tier 1 cities, especially for the K-12 segment.

## Government Eyeing Edtech Giants

In 2022, the government announced its intentions to work on edtech policy to regulate edtech players. The high losses, thousands of layoffs and funding issues coupled with the focus on BYJU'S delaying financials, the Unacademy-Allen spat have led to some grave questions for edtech players. Besides this, there have been allegations of mis-selling which are also drawing the government's eye.

# Deeptech Trends To Watch Out For In 2023

## Robotics, Automation To Take Over Warehouses

According to a report by Global Newswire, the warehouse automation market is expected to grow to $31 Bn by 2026. As businesses look to become energy-efficient, save costs and reduce workplace hazards, automation tools (IoT, machine vision) are already proving popular. As ecommerce platforms turn to automation for efficient distribution, robotics will become commonplace even outside traditional first mover markets.

## Blockchain Will Drive Financial Inclusion

A potential area where blockchain and Web3 could leave a significant impact on the Indian market is financial inclusion. At present, people do not have access to traditional financial services, such as bank accounts and loans. But blockchain-based DeFi services can bypass the need for a traditional financial institution. Blockchain will come closer to fulfilling its potential and be used more prominently to improve transparency and security in financial as well as government-related transactions.

## Deeptech Skill Development Will Become Mainstream

In 2023, we will see deeptech companies increasing their focus on skilling and reskilling of talent to meet industry needs. The introduction of blockchain-focussed courses in India was one such step in 2022, while big data and ML-centric courses are also gaining traction. Collaborative efforts between big tech companies and startups are likely to come into the picture.

## Crypto Will Become More Agile

In 2023, we expect the crypto industry to continue to evolve and become more agile, especially when it comes to reacting to regulation. More businesses and institutions will embrace blockchain technology and cryptocurrency in their way of doing business, especially given the government backing for the digital rupee. More government regulations as well as further adoption of crypto assets by traditional financial institutions will help legitimise the crypto industry and answer questions related to investor and fraud protection.

## Spacetech And Dronetech To Fly Higher

In 2022, we saw dronetech startup Droneacharya hit the public markets, while in November, spacetech startup launched a privately-built rocket into space, a first for India. In 2023 we expect a bigger focus on both dronetech and spacetech players particularly given that both sectors have impact on other critical parts of the economy such as agriculture, defence and infrastructure development.

# Logistics Trends To Watch Out For In 2023

## Ecommerce Deliveries To Get More Streamlined

From the POV of ecommerce companies, the reverse logistics related to returns or cancellations is a major pain point that will see some solutions in 2023. This is a major overhead for companies and complicates the cost-cutting efforts across the board. More companies with robust distribution networks will continue to create their own logistics networks to better manage last-mile deliveries, and have end-to-end control of the customer experience.

## Reduced Emissions Will Be A Major Priority

Consumer demand for reduced carbon emissions in last-mile and intercity deliveries will continue in the new year. The logistics industry is expected to use more carbon-neutral vehicles such as EVs for transporting and delivering. Logistics is the third highest carbon-emitting sector and the need to cut emissions will come to the fore along with business-side sustainability.

## Increasing Adoption Of Technology Solutions

Logistics and supply chain experts predicted that after 2022, businesses would slowly step away from survival mode and look to grow rapidly. Logistics technology investments is said to be a crucial weapon in sustainable growth. And we expect more businesses that have high logistics costs to invest in technology to reduce costs.

## Worker Empowerment Will Be A Key Theme

Poor roads, unclear addresses, traffic jams, and a lack of detailed maps are the primary problems any delivery truck or van driver faces in most parts of India. A Boston Consulting Group survey mentioned that road congestion in just four Indian cities, Delhi, Mumbai, Kolkata, and Bengaluru added to a colossal $22 billion in increased costs. While a lot of this will be solved by government intervention, platforms that look to cater to worker welfare without adding to business costs will be on the rise in 2023 and beyond.

## Resilient Supply Chain Tools Will See Limelight

The supply chain and logistics sector, owing to the increased focus on digitisation, will become more adaptable and resilient considering the external economic factors while continuing its recovery journey in 2023. With Covid cases surging again, the need for resilient supply chains is higher than ever. Plus it will supplement initiatives such as ONDC.

# Enterprisetech Trends To Watch Out For In 2023

## Enterprise SaaS Will Gain Most Attention From Investors

While SaaS startups are also in cost-cutting mode at the end of 2022, this sector saw minimal impact from the global macroeconomic slowdown. The thesis of SaaS is that it helps companies save costs, which is a major focus across industries this year. Given this, the ability of SaaS startups to sell was not hampered, even though revenue expansion may have been relatively slow. The ability of Indian SaaS players to develop products cost-efficiently is seen as a major advantage. The Indian SaaS market is projected to be a $1 Tn opportunity by 2030. We expect this sector to gain more investor attention in 2023 and see more unicorns and listed startups emerging.

## More SMB Focused Products Will Be On Cards

While digital transformation pushed SMBs towards SaaS tools, the ability of small businesses to contribute to revenue has been questioned. But the SMB opportunity cannot be ignored by existing players that have horizontal offerings. We expect 2023 to have more enterprise-grade SaaS products – specifically plug-and-play and no-code tools – focusing on solving operational and tech-related challenges for SMBs in India.

## Collaboration, Communication and Security Software Will Gain More Impetus

With hybrid work models in play and digitisation increasing at a fast pace, 2023 will see companies focusing on integrating enterprisetech software for collaboration, communication and security. From chatbots to live task reminder tools and from cybersecurity alarms to breach alerts – companies will definitely deploy tech tools to gain an edge and plug loopholes.

## More Focus Towards Building Vertical SaaS

Companies like Browserstack, Innovaccer and SignEasy have emerged as category leaders by 'building in India for the globe'. This trend will further accelerate due to a maturing SaaS ecosystem and the emergence and replication of the 'building in India for the globe' playbook that came from the above early winners. We will continue to see founders building not just cheaper but better, leading to more specialised vertical SaaS.

## Companies Will Have Lower Growth Projections

After the valuation correction in 2022, many private startups including SaaS companies have trimmed their growth projections to fall in line with the market. Given their longer sales cycle, SaaS projections will likely be adjusted for 2023 given the uncertainty in global markets over the next year. We will see the companies taking a cautious approach, banking on the domestic market for growth. Revenue projections are likely to be on the bearish side for 2024 and beyond.

# Predictions 2023: Indian Startup Ecosystem

## India Will Get More Unicorns In 2023 Than 2022

While investors have been cautious when it comes to large deals in 2022, some of this will change towards the latter half of next year. Startups from fintech, enterprisetech, B2B ecommerce that are on the verge of the unicorn club are more likely to hit the $1 Bn valuation as these are the sectors that are seeing the least impact, and will continue to attract VC dollars in 2023.

## Smaller IPOs To Thrive

In comparison to 11 IPOs in 2021, only three new-age tech companies went public in 2022. The likes of Tracxn and Droneacharya have shown that smaller profitable ventures that have the right fundamentals can see success with IPOs. Even though larger companies might delay their IPOs till 2024, a number of smaller tech IPOs can be expected in 2023 as investors look for value deals.

## Startup Funding To Touch H1 2022 Level in 2023

While we expect the ongoing funding slowdown to continue till June 2023, the total funds raised in the year will be close to the $19 Bn raised in H1 2022. We expect the funding momentum to gain pace in H2 2023 as the dry powder from new and existing funds will start getting deployed. However, mega deals are not likely to come roaring back during this period.

## Mergers & Acquisitions In Indian Startup Ecosystem To Cross 1.4K By 2023

Even as 2022 saw record-breaking 240 M&A deals, we expect this trend to continue in 2023. Consolidation will be seen in key sectors such as edtech, retail and hyperlocal tech, mobility, D2C, enterprisetech and fintech.

## Hiring And Layoffs To Go On

The year 2022 has been a watershed moment for startups with more than 18K layoffs, but at the same time companies have been hiring to fill resource gaps in growth areas. This trend of hiring and layoffs will continue as the companies adapt to meet sustainability targets. Along with layoffs in slow-growth areas, sustainable hiring will be seen in new segments, through low-cost HRtech tools and recruitment of candidates with a diverse skill set.

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