India Venture Capital Report 2024

Echoes of landfall: 2023 was a year of ongoing moderation with shifts in investor paradigm and heightened caution

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Executive summary

India's venture capital landscape matured in 2023, as resilience accompanied challenges to shape the investment narrative. The moderation of venture capital (VC) funding in India (from $25.7 billion to $9.6 billion over 2022–23) mirrored global caution on risk capital. But despite the decline in deal flow, India maintained its status as the second-largest destination for VC and growth funding in Asia-Pacific.

A confluence of domestic and global factors extended the funding winter—persistent inflation kept interest rates elevated, while investors considered potential growth headwinds in anticipation of a global GDP softening. These challenges heightened investor expectations and vigilance. Investor confidence was further dampened by softening global consumption and continuing geopolitical uncertainties. This culminated in a decline in deal volume (from 1,611 to 880 deals) and average deal size (from $16 million to $11 million).

Upon closer examination of the deal flow, several shifts observed in 2022 continued through 2023. Mega-rounds plummeted by almost 70%, from 48 to 15. Several scaled start-ups chose to defer fund-raising since the advent of the funding winter–this drove consecutive and substantial declines in the emergence of unicorns, reaching pre-2019 levels. In contrast, small and medium deals (less than $50 million) witnessed milder compression, declining by about 45% from 1,501 to 852. This resilience signaled investor optimism for India's medium-to-long-term prospects.

Amidst these shifts, tech-first sectors (consumer tech, fintech, and software & software-as-a-service [SaaS]) remained dominant in 2023 and attracted nearly 60% of funding. Their salience, however, reduced from 2022 as investors shifted focus to traditional sectors with strong fundamental tailwinds (e.g., banking, financial services, and insurance [BFSI], healthcare) and emergent themes like electric mobility and generative artificial intelligence (AI).

Looking closer, funding declined across sectors, while notable green shoots remained resilient. For instance, while consumer tech funding contracted significantly (0.3x of 2022 value), deal volumes in the direct-to-consumer (D2C) offline/online subsector grew ~80%, as investors held confidence in India's consumption story. Amidst a broader decline in software & SaaS, generative AI emerged as a breakout theme, with investments soaring to ~$250 million in 2023 from a nascent base in 2022.

"In 2023, the generative AI ecosystem in India saw a surge in investor interest across the stack. The application layer is a strong focal point, with founders taking a generative AI-first approach to SaaS workflows—a realm where India has deep expertise. In addition, the infrastructure layer saw significant interest, driven by the emergence of strong players like Krutrim, Sarvam AI, and Murf AI, to name a few. Going forward, we believe the focus will concentrate on the application layer, since large investments have already gone into foundational models. 2024 is also the year we'll see enterprises move their generative AI projects from POCs to production."

– Matrix Partners India

"The prospect of developing AI-native consumer applications tailored for the Indian market presents an exciting opportunity for the next generation of consumer start-ups. As generative AI allows for the creation of intuitive, user-friendly, personalized products, it promises to create disruptive consumer experiences. The democratization of generative AI holds promise in sectors like edtech, travel, e-commerce, and media and entertainment, where disruptive solutions can redefine user experiences. These startups have the potential to not only revolutionize consumer applications but also attract venture backing, contributing to India's emergence as a global hub for cutting-edge AI technology."

– Accel

Executive summary

"Despite the macroeconomic challenges faced by Indian start-ups in the last 18–24 months, the ecosystem has demonstrated great resilience. Strategic measures, such as prioritizing profitability, leveraging venture debt, and exploring alternative funding options, have effectively prolonged the financial runway for many start-ups.

There has been an increasing shift from founders towards unit economics coupled with diversifying revenue streams and improving operational efficiencies.

We are looking at 2024 with renewed optimism. The industry is poised for growth, with bold and strong founders building in large markets and there is capital available to deploy at the right place and opportunity. Additionally, effective government policies to support the start-up landscape have positioned India as a global investment destination."

–Lightspeed India Partners

Several noteworthy investor trends unfolded in 2023 in both deployment and fund-raising. There was a democratization in 2023, as private equity (PE) and growth equity firms doubled their share in deployment to pull even with leading VC firms. This democratization was driven by PE and growth equity firms selectively participating in large growth deals, while top VCs shifted focus to smaller ticket rounds.

Crossover funds trimmed funding activity and reduced deal volume by approximately 90%. Family offices remained salient, despite halving deal activity, and continued to provide crucial early-stage capital. While fund-raising slowed to $4 billion, domestic VCs became significantly more salient, driving more than 90% of the raises and launching several thematic funds focused on emergent themes.

It was a year of heightened exit activity, as investors sought to provide liquidity to their LPs in a high-interest-rate environment. Exits surged by almost 1.7x to reach $6.6 billion in 2023—crossover funds led the pack and comprised close to 65% of total exit value. Non-IPO public market sales were the majority exit route, as crossover investors trimmed their positions in their publicly listed portfolio companies (e.g., Paytm, Zomato). Secondary and strategic sales also increased in value, primarily driven by mega-exits in consumer tech (e.g., Flipkart, Lenskart).

Emerging from a challenging 2023, the maturity of the Indian VC landscape underwent a visible shift, fostering optimism for 2024 and beyond. Investors adapted to the "new normal" by adjusting investment strategies and tightening governance guardrails. Start-ups focused on enhancing profitability and drove noteworthy deep-tech innovation. Erstwhile dominant themes with structural tailwinds are set to rebound, such as business-to-consumer (B2C) commerce and software & SaaS, while several emergent themes are poised to surge, such as energy transition, sustainability-centric agritech, and India-nuanced AI tooling. Over a longer horizon, India's robust fundamentals—underscored by its significant consumption headroom, demonstrated fiscal and monetary discipline, geopolitical positioning, and expanding digital backbone—will continue to fuel optimism among investors.

2023 was a year of continued moderation in deal activity marked by step shifts in investor paradigm and caution (1/2)

1

India VC investments shrank to ~$9.5B amid macro headwinds

Deal flow decreased from $26B to $9.6B over 2022-23, as sustained contractionary monetary policy elevated interest rates and softened consumption; however, India retained its #2 spot in VC deal flow in APAC

2

Greater resilience seen in early-stage deals

Deal volume declined from 1,611 to 880 over 2022-23—salience of seed rounds increased (~60% to ~70% of deals) as investors continued to bet on the longer-term India story and as founders in late-stage start-ups deferred rounds

3

Tech-first sectors witnessed significant decline

2023 deal flow to consumer tech, fintech and software & SaaS was 0.3x of 2022 levels (declined from $18B to $5.6B over 2022-23); sectors maintained majority, albeit losing salience (~60% share of funding in 2023 vs. ~70% in 2022)

4

Investor paradigm shifted from tech-first to more traditional sectors

Investors directed more focus to traditional sectors with significant headroom for consumption growth, ongoing formalization, and improving technological enablers (e.g., BFSI, consumer brands, healthcare)

5

Generative AI and electric mobility remained in the spotlight

Generative AI gained significant momentum as funding soared from ~$15M to ~$250M over 2022-23; electric mobility investments gained salience (from 3% to 7% of funding) as rising maturity of ecosystem fueled investor interest

6

In near-to-medium term, B2C commerce, software & SaaS to stay prominent

Erstwhile dominant sectors (B2C commerce, software & SaaS) are anticipated to sustain investor interest driven by structural tailwinds; additionally, emergent themes (e.g., agritech, energy transition, India-nuanced AI tooling) are poised to surge

7

Leading PE/ growth funds sustained interest in growth equity

PE/growth funds persistently participated in growth deals, pulling even with leading VCs (~10% to ~25% over 2022–23); several made maiden investments in tech-first sectors (e.g., ChrysCap in software & SaaS, General Atlantic in generative AI)

Notes: VC = venture capital; BFSI = banking, financial services, and insurance; APAC = Asia-Pacific
Sources: Bain & Company; Pitchbook

2023 was a year of continued moderation in deal activity marked by step shifts in investor paradigm and caution (2/2)

8

Fundraising halved, following a watershed year

Fundraising declined by ~50% over 2022-23 (from $8B to $4B) on the back of accumulated dry powder and sustained caution in deployment – large fundraises ($200M+) declined from 10 to 4 over 2022-23

9

Domestic funds dominated fundraising, with many raising thematic funds

Domestic funds contributed to 90%+ of fundraising in 2023 (e.g., Creaegis, Trifecta Capital amongst others); several raised thematic funds targeting emergent sectors (e.g., sustainability, agritech, gaming)

10

Exits surged with notable uptick in public trades, strategic sales

Exits jumped ~70% in value over 2022-23, led by large public trades (e.g., Freshworks) and strategic exits (e.g., Flipkart); IPOs shrank to ~0.4x of 2022 levels, but rebound in public market indices in Q4’23 fueled optimism for 2024

11

Crossover funds led exits and trimmed exposure to India

Global crossover funds contributed to ~65% of exits, while moderating fresh capital deployment (number of deals declined from 57 to 5 over 2022-23) – funds prioritized backing PortCos over funding new start-ups

12

Amidst shifts and challenges, investors adapted to the ‘new normal’

As ecosystem underwent shake-ups (including partner exits, fund closure), VCs remained resilient revising investment focus (to traditional sectors), strengthening PortCos, and enhancing governance

13

Indian start-up ecosystem was buffeted by several headwinds

Challenges led to significant organizational repercussions in 2023—over 35,000 start-ups shuttered operations, leading operational start-ups* laid off over 20,000 employees, multiple ventures underwent repricing

14

Start-ups tightened belts and extended runway in response

With limited funding visibility and a raised bar for valuation, several scaled ventures prioritized cash conservation and profitability to extend runway; notably, multiple start-ups turned green in 2023 (e.g., Groww, Indifi)

Notes: * Estimated across 75 leading operational start-ups; IPO = initial public offering
Sources: Bain & Company

2

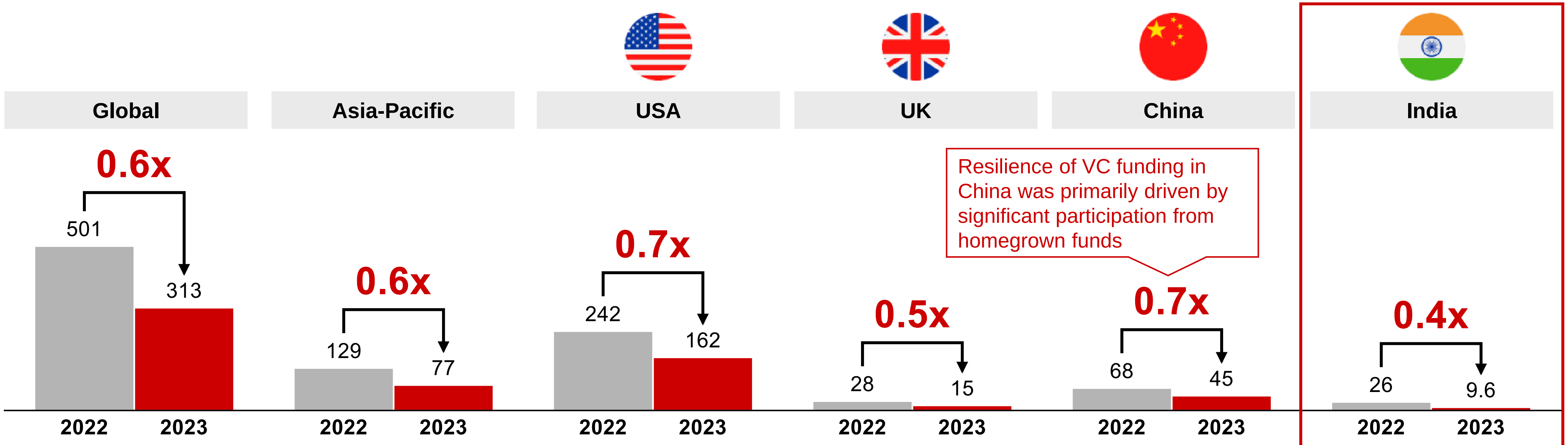
India VC deals landscape

India VC deals landscape

- **2023 was a year of continued moderation as VC funding softened globally**—investments in India decreased by nearly 65% over 2022–23, from $25.7 billion to $9.6 billion. Despite the decline, India remained the Asia-Pacific's second-largest destination for VC and growth funding.
- **A convergence of domestic and global stimuli prolonged the funding winter**—persistently high interest rates, on the back of stubborn inflation, heightened investors' performance expectations. Softening global consumption and ongoing geopolitical uncertainties hindered start-ups from showcasing the necessary performance.
- **These challenges led to a decrease in both deal volume and average deal size, reaching levels last observed before 2021**—deal volume compressed approximately 45%, decreasing from 1,611 deals to 880 over 2022–23; average deal value decreased by about 30%, from $16 million to $11 million over 2022–23, with the share of seed deals rising from approximately 60% to 70% during the same time frame.
- **Deal flow shifts observed in 2022 continued throughout 2023**—the number of mega-rounds plummeted by almost 70%, from 48 to 15 over 2022–23, as GPs exercised caution; consequently, the emergence of unicorns experienced consecutive and substantial declines, reaching pre-2019 levels. In contrast, small and medium deals (less than $50 million) witnessed milder compression, declining by about 45% from 1,501 to 852 over 2022–23, signaling investor confidence in India's medium-to-long-term prospects.

The global VC landscape witnessed a successive compression in deal activity in 2023—VC funding in India was approximately 0.4x of 2022

Overview of global VC investments ($B)



	Global 2022	Global 2023	Asia-Pacific 2022	Asia-Pacific 2023	USA 2022	USA 2023	UK 2022	UK 2023	China 2022	China 2023	India 2022	India 2023
Total PE-VC investment ($B)	1,643	1,060	344	240	775	517	152	87	166	101	62	38
Share of VC as a percentage of PE-VC investments	30%	30%	38%	38%	31%	31%	19%	17%	41%	44%	42%	25%

India investments overview

Considerable drop in India's VC activity: VC investments reduced to 0.4x of 2022 (vs. 0.6x globally)

Decline in both deal volume and size: ~45% reduction in deal volume (1.6K to 880 over 2022–23); ~30% average deal value reduction ($16M to $11M over 2022–23)

India's share in Asia-Pacific VC funding reduced after reaching its highest level in 2022: India retained #2 position; however, share reduced from ~20% to ~12% over 2022–23 (Japan, China gained)

Notes: All investment figures include real estate and infrastructure deals; Investment value and volume excludes undisclosed deal value transactions; VC = venture capital; PE = private equity
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Macroeconomic headwinds, geopolitical uncertainties, and lapses in corporate governance in India dampened investor sentiment in 2023

Softening of global consumption	**Contractionary monetary policy across several key economies cooled consumer demand and posed growth headwinds for start-ups** (global GDP grew at ~2.6% vs. ~3.1% in 2022 and ~6.2% in 2021); large companies exercised prudence and rationalized erstwhile high spend growth areas (e.g., software & SaaS)
Continuing geopolitical uncertainty	**The ongoing war in Ukraine, US-China rivalry, and outbreak of fresh conflict in the Middle East fueled a year of global uncertainty**—headline concerns spanned energy security, trade wars, technology competition (e.g., semiconductors, AI), and supply chain reliability
Sustained tightening of monetary policy	**India maintained elevated interest rates (6.25%–6.5% vs. 4% as of early 2022) to curb inflation**—inflation persisted higher than RBI's target, as supply shocks drove volatility; moving forward, course of 2024 rate cycle hinges on US Fed's moves
High-profile lapses in corporate governance	**Emergence of new governance crises and escalations in erstwhile lapses in VC-funded companies further heightened investor caution**—5+ noteworthy events across edtech, healthtech, and fintech ventures sparked greater pre-deal scrutiny (e.g., extended diligences, founder background checks) and post-deal controls (e.g., appointment of "Big Six" auditors, introduction of investor protection clauses in SHAs)
Hurdles to foreign capital inflow	**Finance Bill 2023 expanded scope of Angel Tax to include nonresident investments in unlisted Indian companies**, including from key intermediary jurisdictions (Mauritius, Singapore, Netherlands, UAE); drawing concerns on ease of attracting foreign capital

2.6%

global growth forecast over 2023 relative to 3.1%+ in 2022; forecast at 2.4% for 2024

+30bps

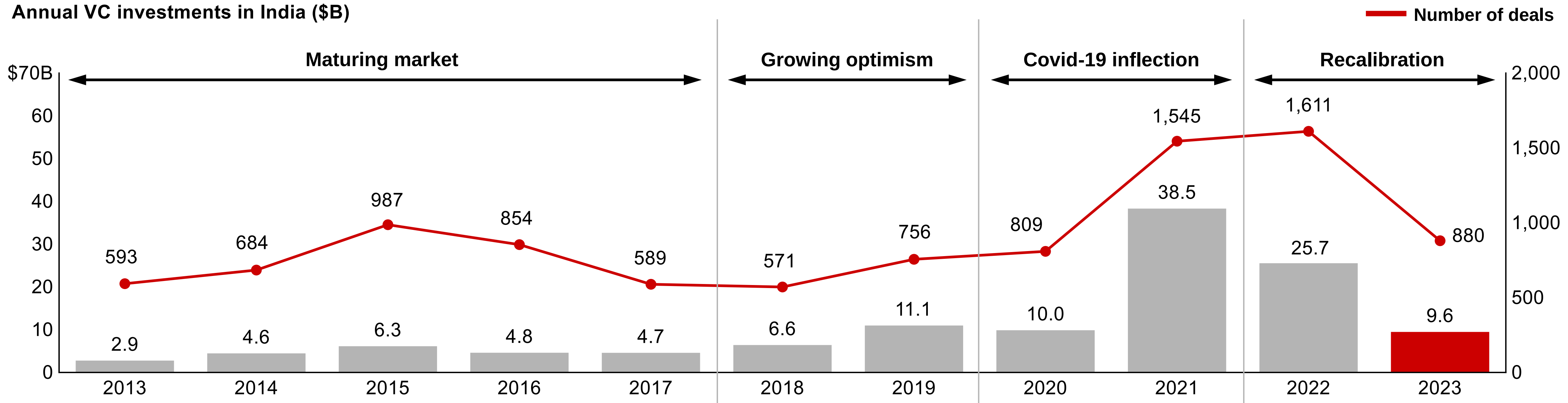
upward revision in India's 2024 CPI inflation projection (5.4% vs. 5.1%)

6.5%

Repo rate remained stable at the higher end in India, continuing the elevated interest rate environment that commenced in 2022

Notes: Fed = Federal Reserve; RBI = Reserve Bank of India; VC = venture capital; SHA = shareholders' agreement; CPI = consumer price index; bps = basis points
Sources: Bain & Company; World Bank; RBI

Over 2022–23, VC deal flow in India softened from approximately $26 billion to approximately $9.5 billion



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average deal size ($M)	4.9	6.8	6.4	5.6	8.1	11.5	14.7	12.4	24.9	16.0	10.9

Maturing market

Significant evolution in India's start-up landscape; increasingly positive investor sentiment to back first-generation start-ups in India

Rapid scale-up of global hedge funds (e.g., Tiger Global and SoftBank) and global VCs setting up significant domestic presence in India

Some investor caution emerged in latter half (2016–17) led by lack of clarity on exits for prior investments

Growing optimism

Marquee exits reignite investor confidence

Emergent sectors demonstrating traction pique investor interest (e.g., fintech, software & SaaS)

Covid-19 inflection

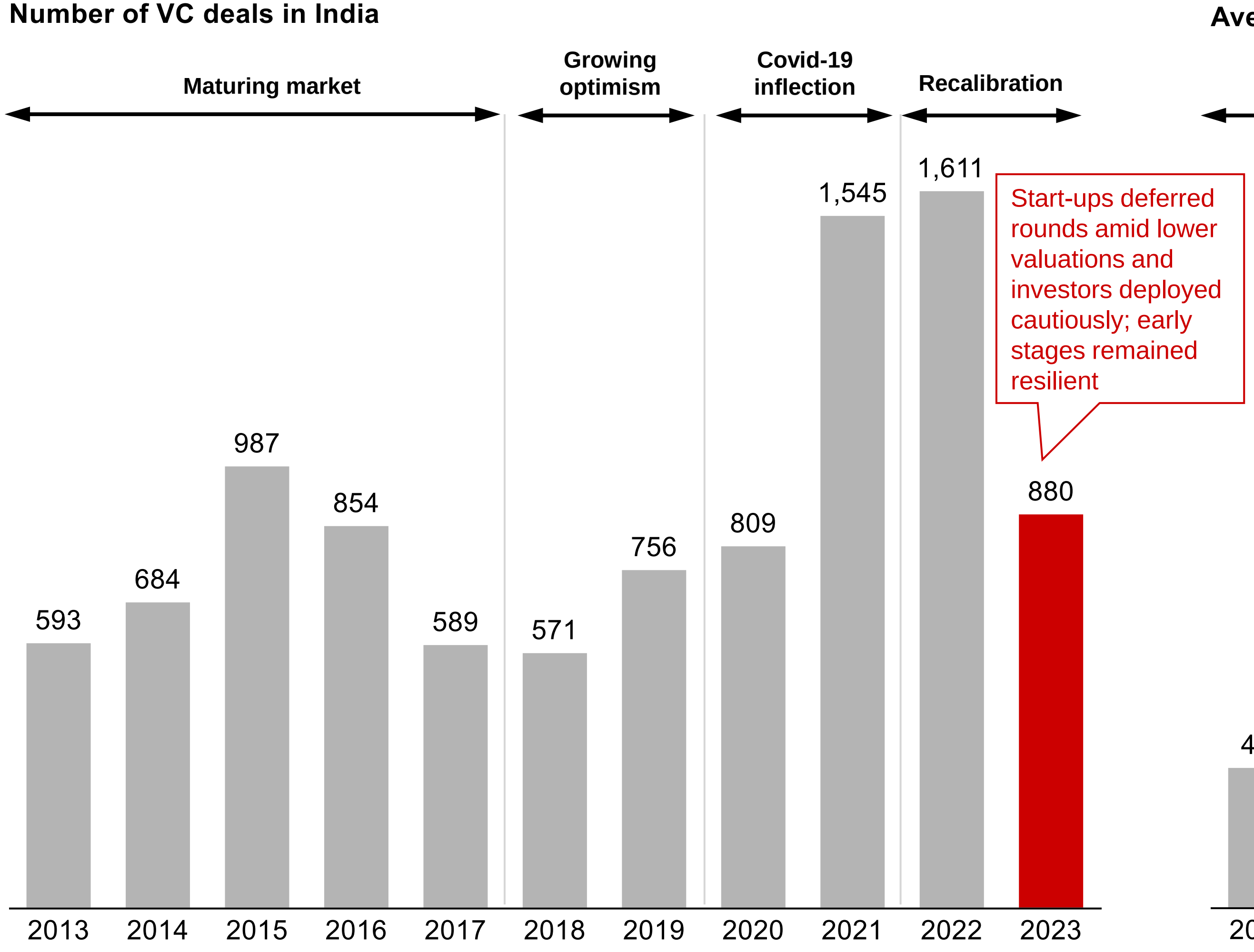
Post initial caution due to Covid-19, reinvigorated confidence leading to record investments in 2021—deepening of ecosystem and marquee exits

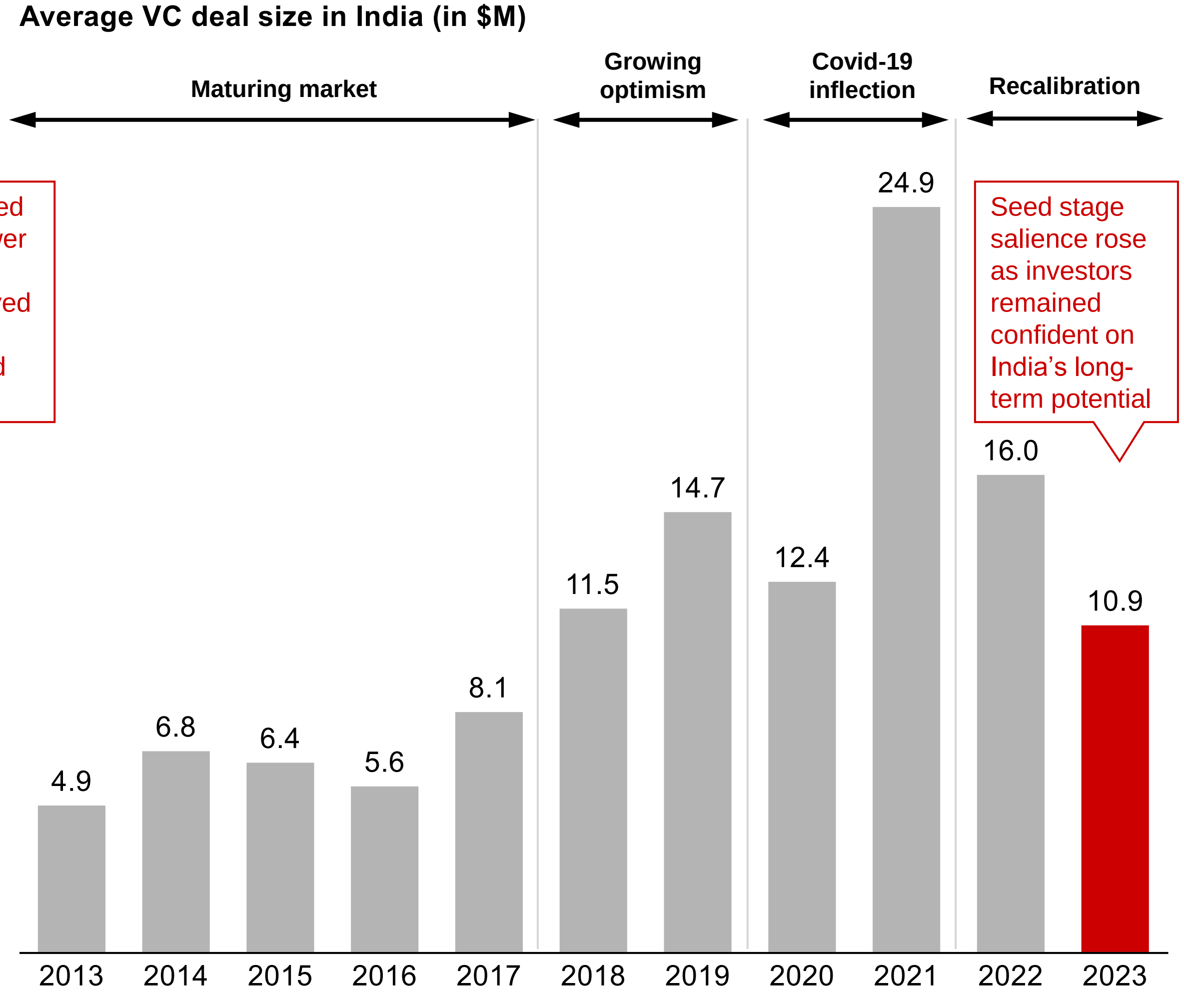
Recalibration

Investors recalibrating their strategies amid macroeconomic challenges has led to compressed valuations, extending the funding winter and affecting both the deal volume and average deal sizes

Notes: VC = venture capital
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Deal volume and average deal size in 2023 reverted to pre-2021 levels

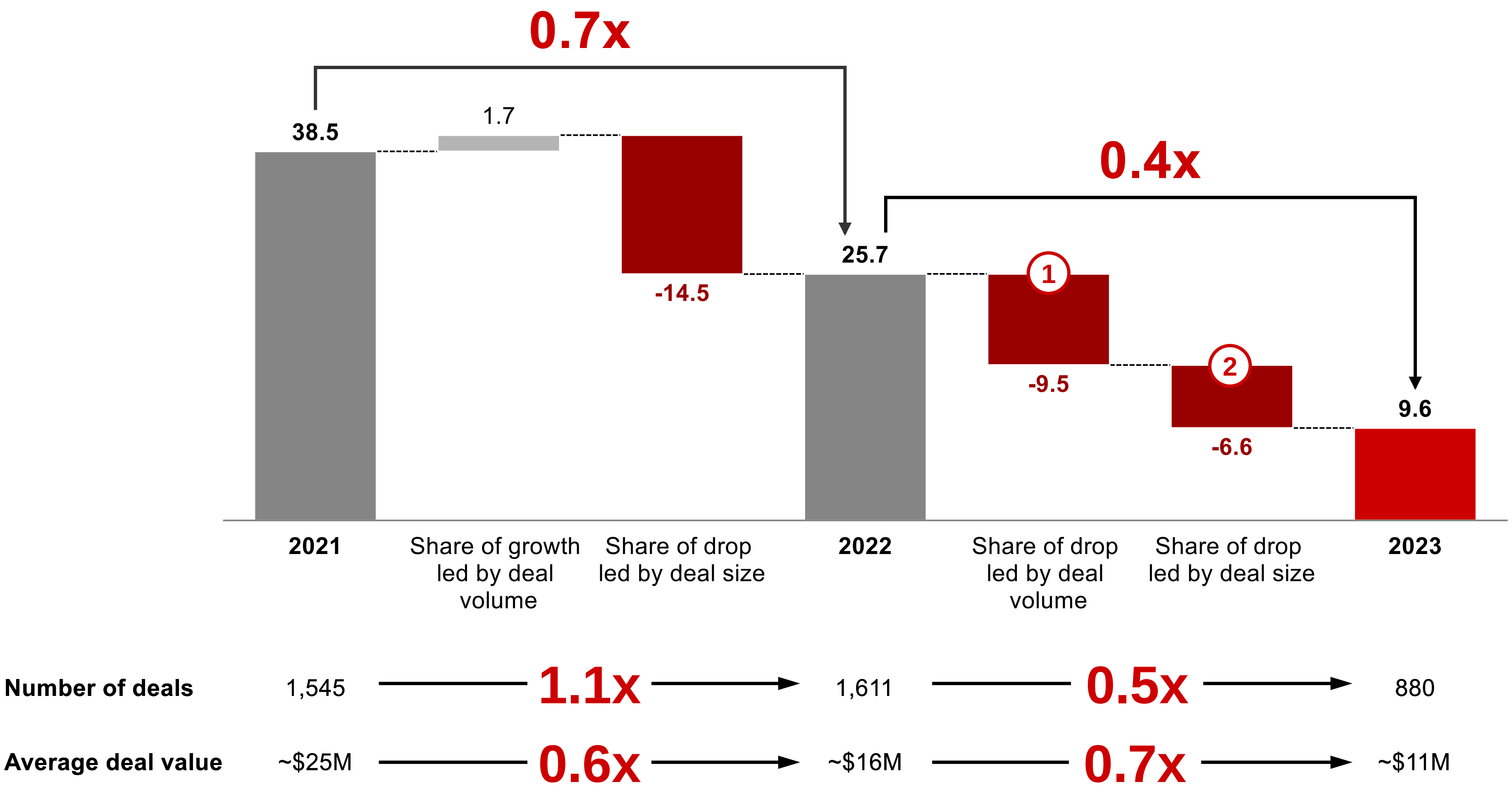




Notes: VC = venture capital
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Macroeconomic headwinds and compressed valuations led to start-ups deferring rounds—investors bet on the longer-term story with early-stage deals

Annual VC investments in India ($B)



1 Muted deal volumes as start-ups and investors hunkered down

Start-ups prioritized runway and deferred rounds in a valuation-challenged environment; investors exercised caution in deploying capital amid macroeconomic headwinds

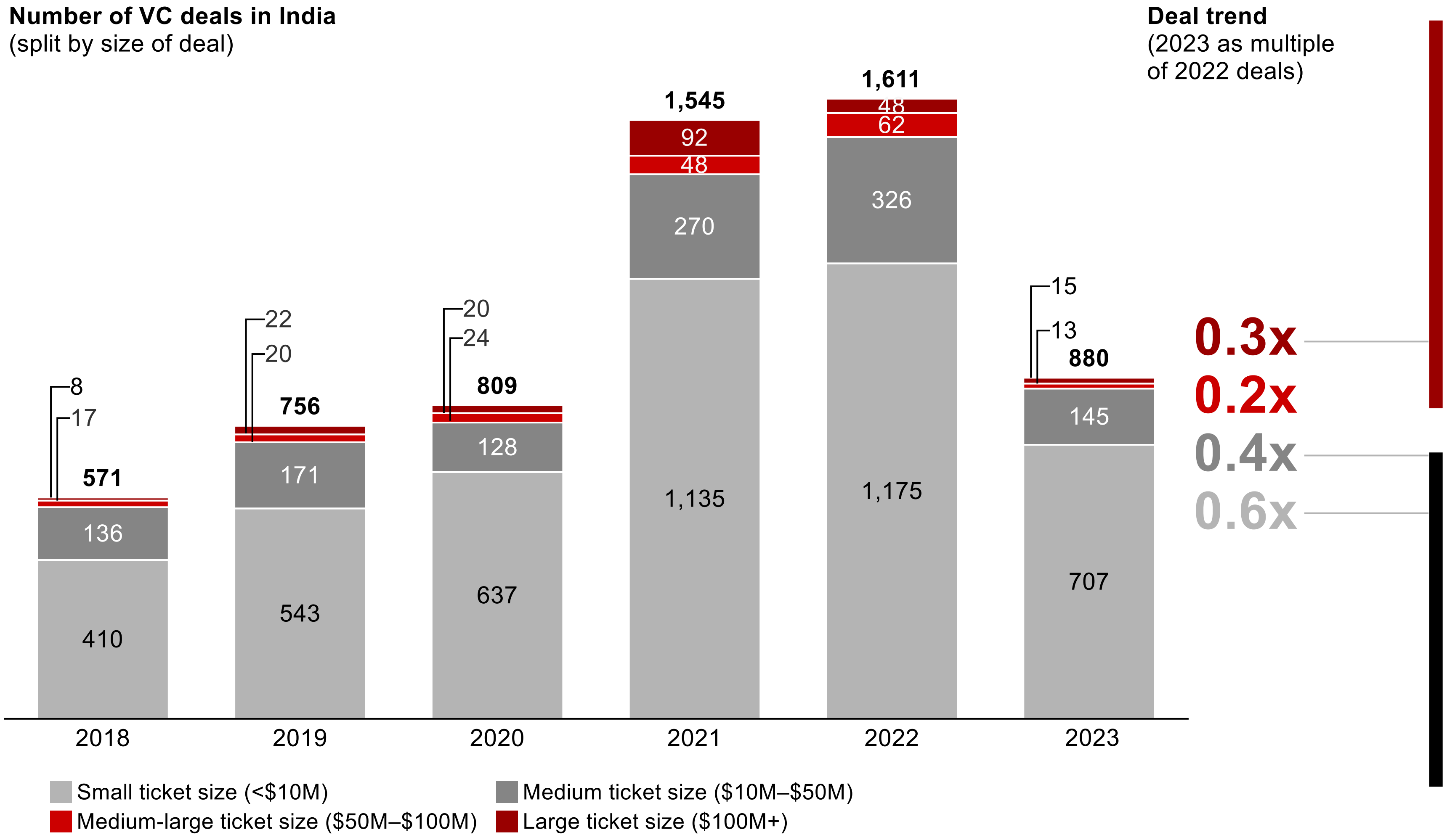
2 Average deal size reduced with greater share of earlier-stage deals

While overall volumes declined, salience of seed stage deals increased from ~60% of volume in 2022 to ~70% in 2023—driven by investors continuing to bet on the longer-term “India story,” supply of deep pool of pre-seed/seed start-ups in India, and continued participation from family offices and CVCs

Notes: VC = venture capital: CVC = corporate venture capital
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Deal volume momentum declined across deal sizes—lowest mega-round activity since 2019 (only 15 $100 million+ deals)

Number of VC deals in India
(split by size of deal)



$100M+ mega-rounds crashed, dropping to pre-2019 levels

GPs proceeded with caution, as return expectations were tempered by the economic outlook; meanwhile, start-ups looking for better valuations postponed fund-raising and focused on extending financial runway

Decline in small and medium deals (<$50M) was less vs. mega-rounds

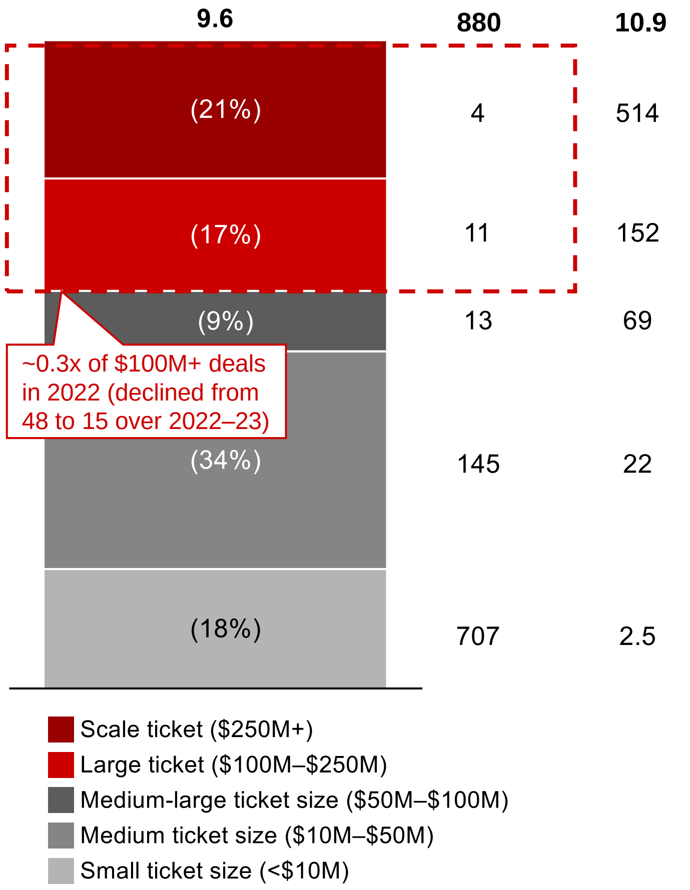
Some resilience was conferred by positive outlook on India's medium- to long-term prospects and growing interest in newer sectors, such as electric mobility and generative AI

Notes: Ticket size indicates total investment value in respective rounds/deals (includes all investors); GP: general partner
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

PhonePe ($850 million) and Lenskart ($600 million) were the largest deals

VC investments in India
($B, split by size of deal)

Number of deals | **Average deal value ($M)**



Overview of large ticket size deals with $150M+ funding in 2023

Asset	Lead investors[1]	Sector	Quarter[2]	Deal value	Valuation[3]
PhonePe	General Atlantic, Walmart, TVS Capital	Fintech (payments)	Q2	850	~$12.0B
Lenskart	Abu Dhabi Investment Authority, ChrysCapital	B2C commerce	Q2	600	~$4.2B
Udaan	M&G Prudential, Lightspeed India Partners, DST Global	B2B commerce	Q4	340	~$1.8B
PharmEasy[4]	Temasek, TPG Growth, Prosus, CDPQ, Eight Roads, LGT Capital Partners, ADQ	Healthtech	Q4	265	~$0.7B
Builder.ai	Qatar Investment Authority (QIA)	Software & SaaS	Q2	250	-**
Zepto	StepStone Group, Goodwater Capital, Nexus Ventures	B2C commerce	Q3	231	~$1.4B
Perfios	Kedaara Capital Advisors	Fintech (infrastructure)	Q3	229	~$0.9B
InsuranceDekho	Goldman Asset Management, TVS Capital Funds	Fintech (insurtech)	Q1	150 (201)*	~$0.6B

(1) Only lead investors mentioned—list not exhaustive; (2) Quarter is assigned per timeline of announcement of deal; (3) Indicative of latest valuation published for the year 2023; (4) Ranjan Pai's family office has pledged an additional $160M—the amount has been excluded from the total deal value as it is awaiting CCI approval; *Total funding over different rounds in 2023; **Valuation not available through public sources
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Relatively lower compression in seed-stage deal volumes compared to later stages

Number of deals
(Average VC deal value in India)

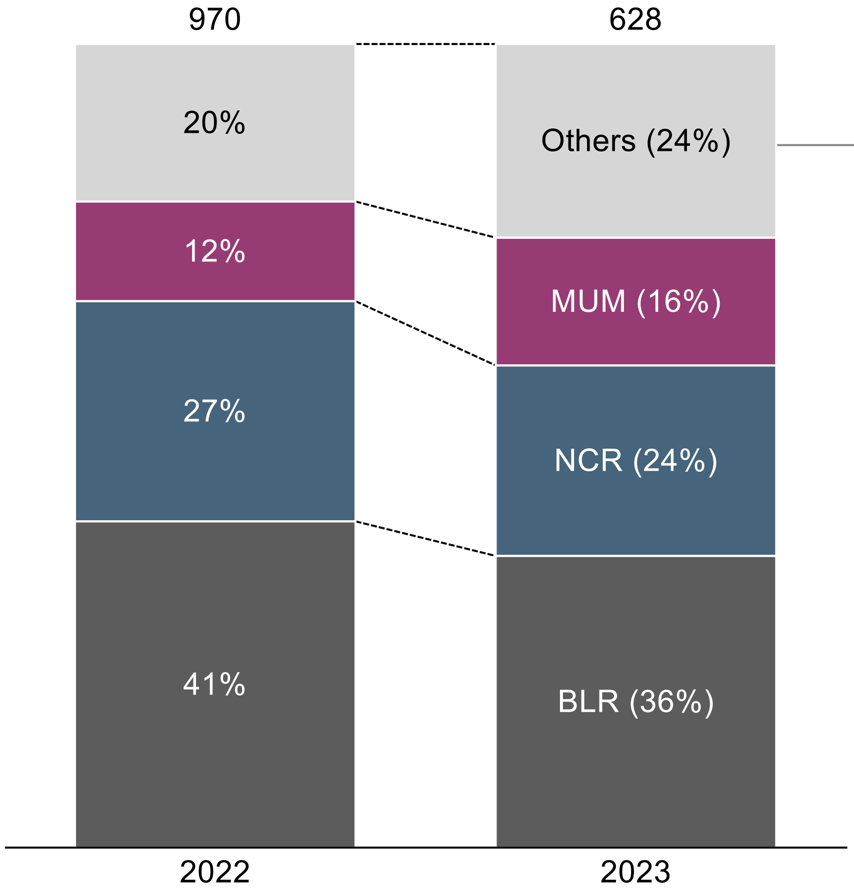
	2022	Volume trend (2023 as multiple of 2022 deals)	2023
Seed	**970** (~$1.6M)	**~0.6x**	**629** (~$1.4M)
Series A	**336** (~$11M)	**~0.4x**	**147** (~$10M)
Series B	**156** (~$27M)	**~0.3x**	**48** (~$24M)
Series C	**56** (~$49M)	**~0.4x**	**23** (~$28M)
Series D+	**93** (~$140M)	**~0.4x**	**33** (~$166M)

Volume trend
(2023 as multiple of 2022 deals)

Notes: Series D+ includes Series D to Series K; VC = venture capital
Sources: Bain & Company; Pitchbook

Seed funding democratized as cities outside the top three destinations—Bengaluru, NCR, and Mumbai—attracted greater share of deal flow

Seed stage VC investments in India
(Number of deals, split by city)



Key seed deal highlights

AI4Bharat (Chennai)	Chronicle (Nashik)	Kombai (Pune)	Kaabil Finance (Jaipur)
$12M	$8M	$5M	$3M

1

Emerging start-up hubs (Pune, Jaipur, Nashik) gained salience in 2023, fueled by the availability of rich talent (e.g., from IT Services pool in Pune). Among Tier 2+ clusters, Pune witnessed the highest gain in salience, as start-ups burgeoned hoping to emulate the successes of FirstCry and OneCard.

2

Incubators and accelerators continued to bridge network and resource gaps for start-ups based in Tier 2+ cities (e.g., $80M+ funding received by 200+ start-ups from iStart incubator program by Government of Rajasthan since its inception in 2017). India ranks #2 globally in incubator/accelerator density (per 1,000 start-ups).

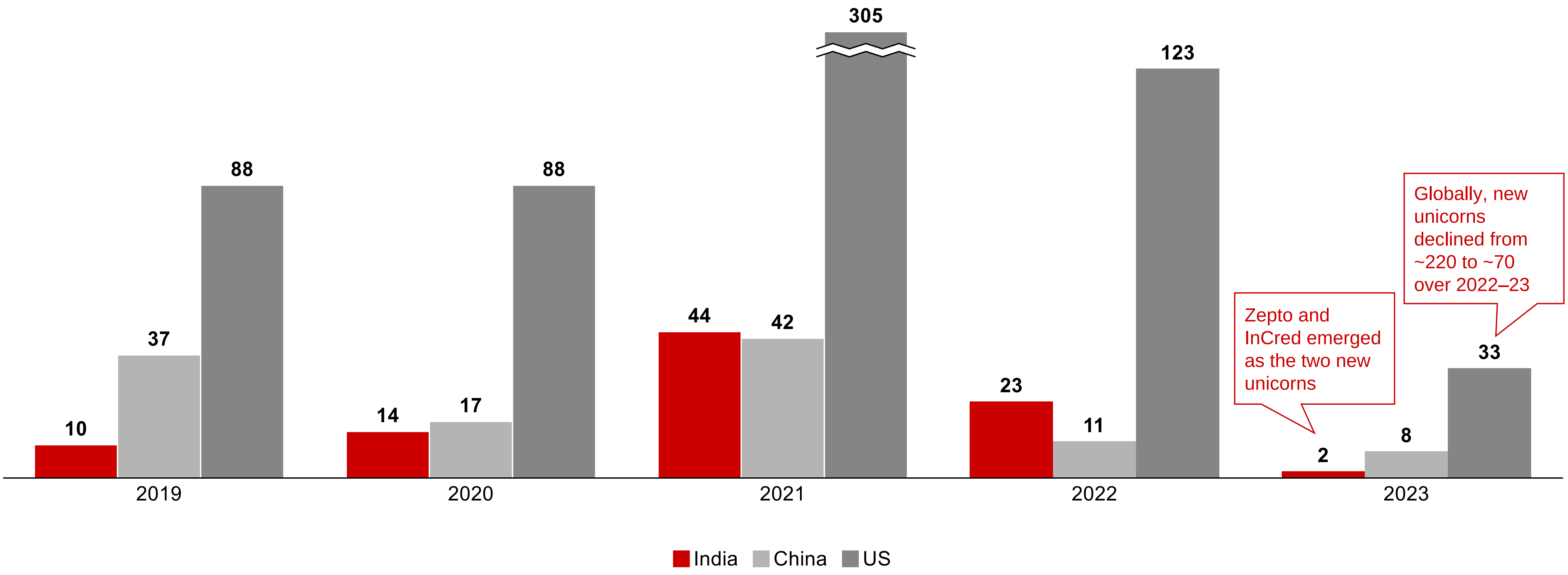
3

Playing field continues to level—democratization of enabling technologies via "India Stack" and the availability of talent in regional clusters facilitated by tech majors are increasingly enabling founders outside of Bengaluru, NCR, and Mumbai build ventures.

Notes: City split based on start-up headquarters; NCR includes Delhi, Gurgaon, Noida, Faridabad, Ghaziabad, Meerut; MUM includes Mumbai, Thane, and Navi Mumbai; BLR refers to Bengaluru Metropolitan Region
Sources: Bain & Company; AVCJ; Tracxn; Venture Intelligence; NASSCOM

Only two new Indian unicorns emerged in 2023—Zepto and InCred

Number of new unicorns added in the year*



*Unicorns defined as VC-funded, private companies that were valued at $1B+ in the respective year
Sources: Bain & Company; Tracxn; CB Insights; Pitchbook

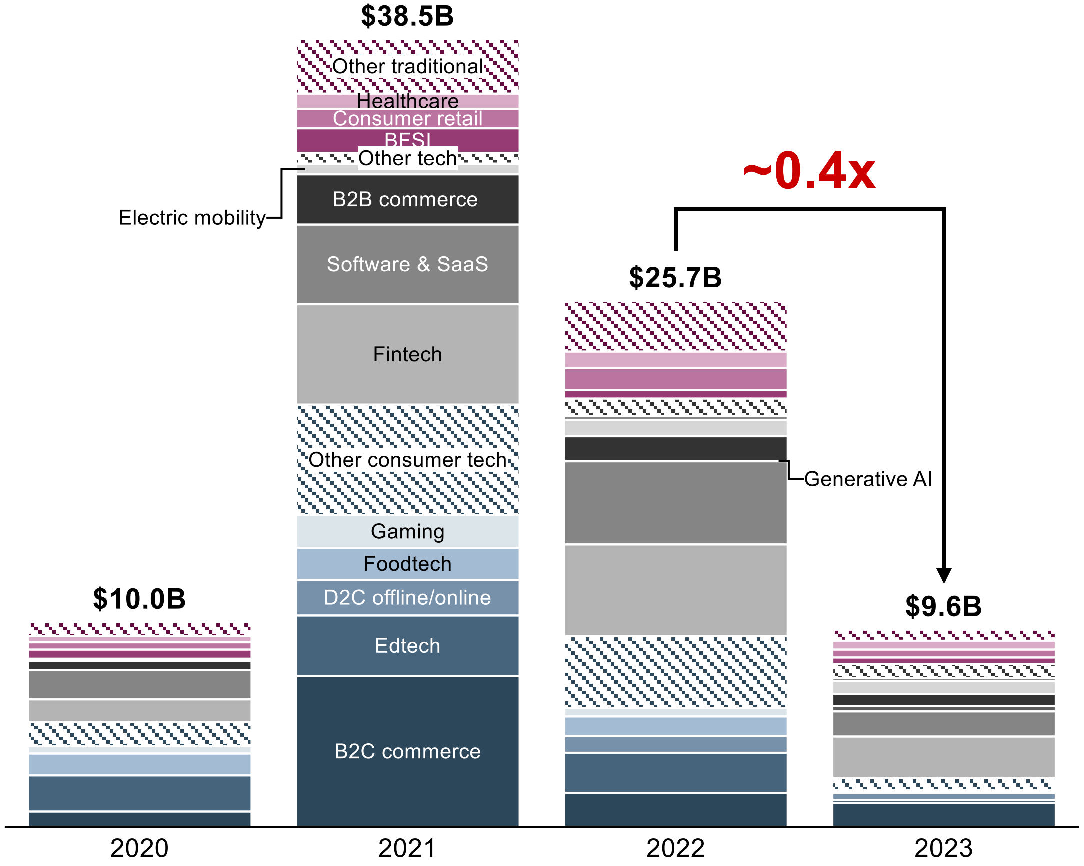
3 Key investment themes in 2023

Key investment themes in 2023

- Consumer tech, fintech, and software & SaaS attracted close to 60% of funding in 2023 and remained the dominant sectors. However, compared to 2022, their salience reduced (by about 10 percentage points) as investors directed more focus on traditional industries (e.g., BFSI, healthcare) and emergent domains (e.g., electric mobility, generative AI).
- Importantly, funding across almost all sectors decreased. A few prominent themes emerged:
  - **Consumer tech investments declined from $9.3 billion to $2.4 billion over 2022–23**, as investors continued to prioritize unit economics ahead of growth. The effect was disproportionately felt by a few erstwhile salient subsectors—edtech, gaming, and healthtech. However, D2C offline/online emerged as a green shoot and increased by almost 80% in deal volume, signalling persistent investor confidence in India's consumption story.
  - **Fintech investments declined to approximately 0.5x of 2022 levels with notable moderation in the early stages (from ~$4.5 billion to ~$2 billion over 2022–23)—** investors rigorously evaluated viability and pathways to profitability. The landscape witnessed a flight to quality and deal activity concentrated—top five deals comprised nearly 70% of funding. Numerous regulatory and policy developments influenced funding in the sector (e.g., heightened risk weights on unsecured lending posed short-term headwinds to start-ups in the domain), while enablement of unified payments interface (UPI) on Rupay cards and credit lines on UPI offered tailwinds.
  - **Software & SaaS investments (excluding generative AI) declined from $4.1 billion to $1.2 billion—**investors strictly maintained the bar on demonstrated performance, especially in the late stages. Funding in vertical software & SaaS demonstrated relatively greater resilience compared to horizontal software & SaaS as investors expected greater stability in customer spending, given higher customer stickiness for the category and lower competition.
  - **Multiple green-shoot themes remained salient in 2023—**investments in generative AI witnessed a surge from $15 million to nearly $250 million over 2022–23, as generative AI apps attracted the lion's share of funding by demonstrating early signs of product-market fit. Electric mobility remained salient and received over $0.6 billion in funding in 2023 vs. approximately $0.8 billion in 2022—original equipment manufacturers (OEMs) and mobility services attracted over 70% of the funding.

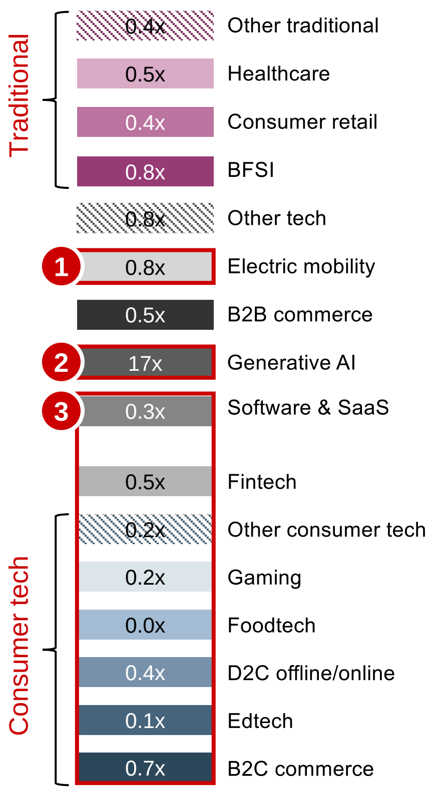
Key tech sectors remained salient but lost ground, with mix shifting toward select traditional sectors and green-shoot themes

Annual VC investments in India
($B, split by sectors)



Number of deals	809	1,545	1,611	880

Deal trend
(2023 as multiple of 2022 deal value)



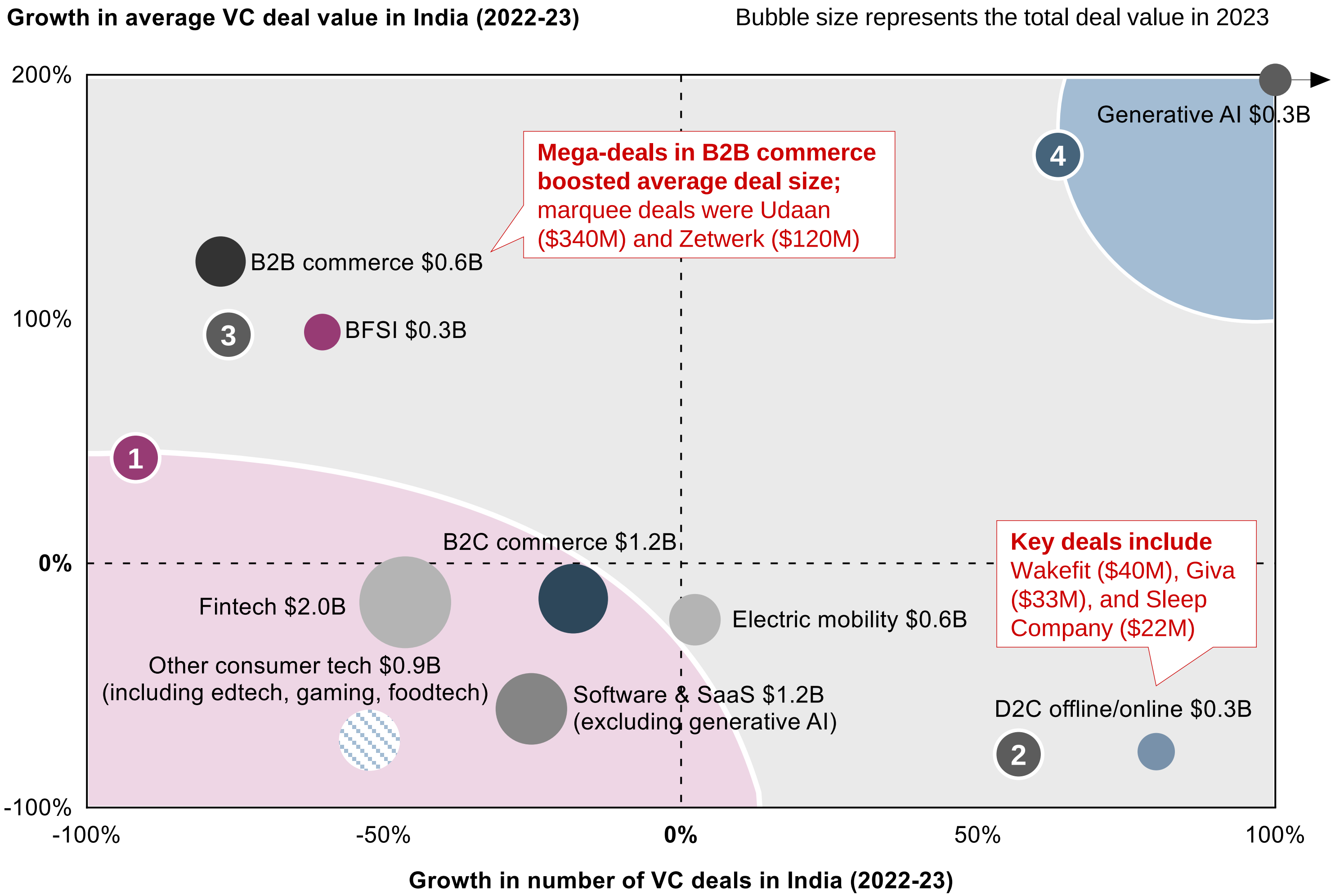
1. **Electric mobility, a green shoot sector from 2022, stayed resilient:** 44 deals spanned all segments of the electric mobility value chain; OEMs (Ola Electric, Ather) and mobility services (BluSmart, Zypp Electric) attracted ~70% of overall funding

2. **Generative AI deals spiked from <5 in 2022 to 17 in 2023**, as companies demonstrated early signs of product market fit (e.g., use cases in marketing, support, legal); funding primarily directed at apps (~80% share vs. ~20% infrastructure)

3. **Investments in tech-first sectors (especially fintech, consumer tech and software & SaaS) witnessed sharp decline** (to 0.3x of 2022 funding, dropping 10pp in salience); greater drop in large ticket ($100M+) deals (from 35 to 10 deals over 2022-23), as both investors and founders exerted caution

Notes: "Other consumer tech" includes foodtech, traveltech, propertytech, etc.; "Other tech" includes agritech, IT and IT enabled services, climatetech, etc.; "Other traditional" includes energy, shipping and logistics, education, etc.; BFSI = banking, financial services, and insurance; OEM = original equipment manufacturer; D2C = direct to consumer
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Deal volume and size contracted across majority of sectors with a few bucking the trend (e.g., D2C offline/online, BFSI, and generative AI)



1 **Deal volume and average deal sizes shrank across most sectors**—investors became more selective, maintaining a high bar on business viability, performance, and shifting focus from "growth at all costs" to profitability; deal-making further slowed as founder-investor valuation expectations diverged; large late-stage rounds were also deferred given the valuation-challenged environment

2 **Deal volumes grew in D2C offline/online** (36 to 65 over 2022–23) despite decline in average deal value (from $18M to $5M); investors backed ventures with omnichannel presence and catering to a broader consumer base in India beyond metro/Tier 1 cities (e.g., VC-backed born-digital D2C brands, such as Wakefit and Giva, have established an offline presence spanning 20–25 cities)

3 **Average deal size increased in BFSI** ($15M vs. $8M in 2022) as investors made large investments in companies with established models (e.g., Auxilo, Sarvagram) and capitalized on financial inclusion tailwinds (e.g., Aye Finance provides lending to micro-enterprises across 21 Indian states)

4 **Generative AI rapidly attracted investor interest**—both the deal value and average deal size tripled (<5 to 17 deals; $5M to $15M deal size over 2022–23)

Notes: "Other consumer tech" includes edtech, gaming, foodtech, traveltech, propertytech, etc.; "Other tech" includes agritech, IT and IT enabled services, climatetech, etc.; "Other traditional" includes energy, shipping and logistics, education, etc.; BFSI = banking, financial services, and insurance; D2C = direct to consumer
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Deal flow in key tech businesses was significantly moderated in 2023, while green shoots showed resilience (e.g., electric mobility, generative AI)

2023 funding

Weakened momentum across key tech sectors

Consumer tech

0.3x

of 2022 deal value

Funding declined secularly across sub-sectors—edtech, healthtech, and gaming were hardest hit, buffeted by various challenges (incl. lower post-Covid-19 demand, regulatory challenges, and limited proof points of business model viability); sector was buoyed by D2C offline/online, where deal volumes rose 80%, signaling investor confidence in India's consumption story

Fintech

0.5x

of 2022 deal value

Funding contracted across key sub-sectors (lending, insurtech, wealthtech, fintech infrastructure), especially in early stages where investors scrutinized business viability and path to profitability; payments saw spike in funding driven by the PhonePe mega-deal ($850M); lending faced further near-term headwinds originated by regulatory moves aimed at mitigating delinquency risks

Software & SaaS

0.3x

of 2022 deal value

Funding contracted in both horizontal and vertical SaaS as investors maintained high bar on demonstrated performance (e.g., "rule of 40") and start-ups deferred fund-raising amidst compressed valuations; vertical SaaS declined less as investors expected greater resilience in customer spends (e.g., greater stickiness as products enable core business workflows)

Multiyear green-shoot themes

Generative AI

17x

of 2022 deal value
(on nascent base)

Investments soared to ~$250M in 2023 from a nascent base in 2022; majority of the funding (~65%) flowed to existing apps that adopted generative AI (compared to generative AI infrastructure or generative AI-native apps), as companies rapidly showcased early signs of product-market fit across use cases (e.g., in marketing, customer support, legal)

Electric mobility

0.8x

of 2022 deal value

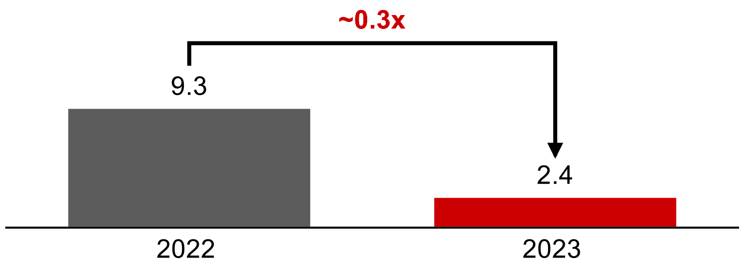
Electric mobility deal flow remained steady, fueled by investor confidence in structural tailwinds driving EV adoption (e.g., charging infrastructure improvements, introduction of affordable EV options, expanded distribution in non-metro markets), while reduction in FAME subsidies raised investor caution for OEMs, other segments (especially charging, mobility services) attracted ~35% higher funding over 2022–23

Notes: FAME = faster adoption and manufacturing of hybrid and electric vehicles; EV = electric vehicle; D2C = direct to consumer; OEM = original equipment manufacturer
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge, Tracxn

Consumer tech deal activity declined further from 2022, as investors continued to prioritize unit economics overgrowth

Funding overview

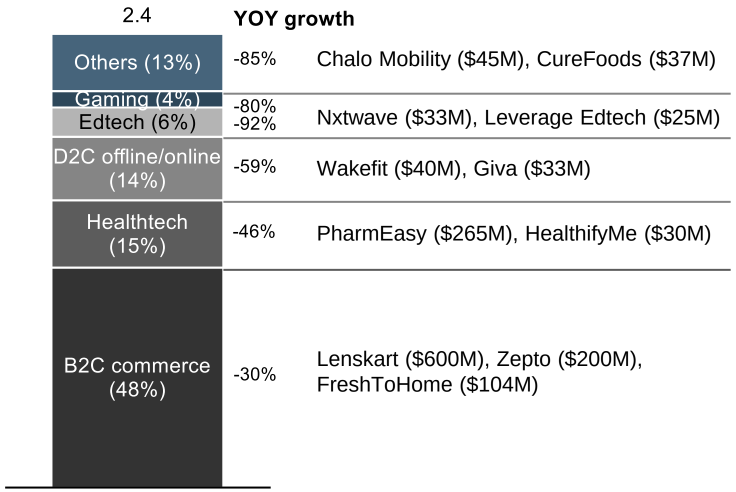
Annual VC investments in India (consumer tech focused, $B)



	2022	2023
Number of deals	**370**	**233**
Salience (percentage of total VC investments)	**36%**	**25%**
Share of $100M+ deals by value	**60%**	**50%**

Sectoral trends

Investment split across segments ($B)



- **Significant decline in $100M+ deals:** 21 to 4 over 2022–23
- **Despite megadeals, funding softened in B2C commerce** as investors prioritized unit economics—deal volume compressed from 27 to 22 over 2022–23; average deal value compressed from $62M to $53M
- **Deal volume in D2C offline/online surged** (from 36 to 65 over 2022–23), led by structural tailwinds (e.g., investments in digital and physical infrastructure)
- **Deal flow in edtech plummeted** as demand waned post COVID; **gaming funding declined by ~80%** as increased GST burden posed headwinds; **healthtech funding declined** as investors held high threshold of business model viability

Key drivers

- **Funding slowed as investors prioritized profitability and late-stage start-ups deferred fund-raising**—early-stage deal activity less impacted, as investors held a positive outlook on the "India story" (~0.8x of 2022 deal volumes in 2023)
- **Start-ups faced growth headwinds as consumption softened,** driven by moderation of discretionary spending amid inflationary and high interest rate environment

Future outlook

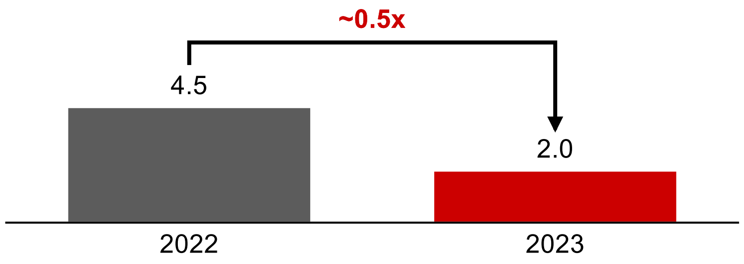
- **Outlook for India's consumer tech sector demand remains optimistic** due to strong structural tailwinds, such as India's a) large demand catchment (65+ cities with 1M+ population), b) significant online shopper base (~230M in 2023), and c) significant penetration headroom (30%–40% of users are online shoppers in India vs. 70%+ in US and China)
- **Consumer tech is poised to sustain its allure for investors**, fueled by demonstrated track record in exits (constituted ~45% of exits by value in 2023) and increasing proof points of companies turning green (e.g., Zomato, Nykaa reported positive EBITDA in H1 FY 24)

Notes: "Other consumer tech" includes content/social media, agritech, traveltech, propertytech, etc.; VC = venture capital; D2C = direct to consumer; GST = goods and services tax
Sources: Bain & Company; Venture Intelligence, AVCJ, VCCEdge, Tracxn

Fintech saw decline across most subsectors—notable moderation in early stages as investors scrutinized viability and path to profitability

Funding overview

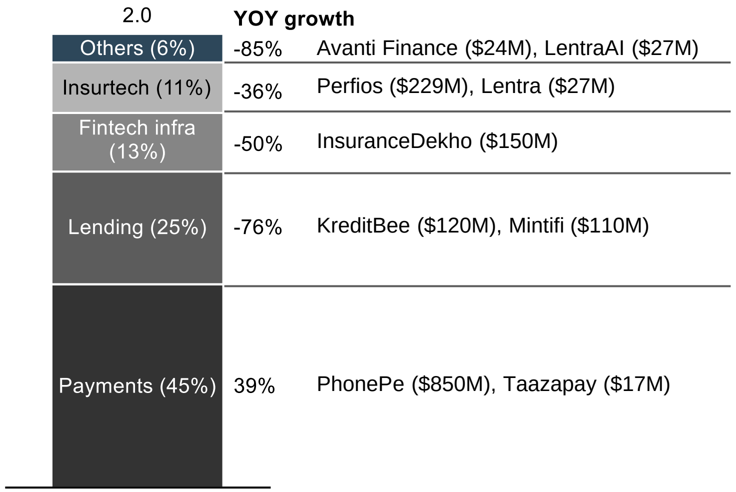
Annual VC investments in India (fintech focused, $B)



	2022	2023
Number of deals	**168**	**90**
Salience (percentage of total VC investments)	**17%**	**21%**
Share of top 5 funded companies by value	**19%**	**72%**

Sectoral trends

Investment split across segments ($B)



- **Indian fintech funding exhibited flight for quality as deal activity concentrated**— top five companies attracted ~70% funding (PhonePe, Perfios, KreditBee, Mintifi, InsuranceDekho)
- **Payments, insurtech deal activity bolstered by select megadeals** (i.e., PhonePe, InsuranceDekho)
- **Funding to Lending start-ups softened** as investors weighed in potential impact on disbursal and revenue growth, following RBI's tightening of norms on consumer lending

Key drivers

- **Macro headwinds drove investor prudence**—companies saw increased scrutiny of business viability (e.g., customer monetization, unit economics); investors considered the anticipated softening of consumer spending and its potential impact on online transactions
- **Regulatory developments posed near-term drag**, notably in consumer lending, as RBI increased risk weights on unsecured lending, made credit costlier for borrowers, and narrowed loan disbursals as NBFCs/fintechs raised bar on customer credit worthiness

Future outlook

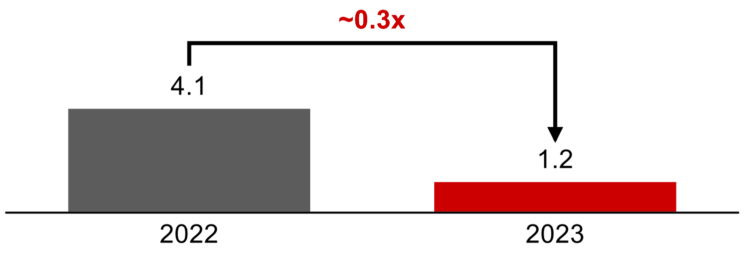
- **Despite short-to-medium term regulatory headwinds, several positive bellwethers bode well for Indian fintechs:** a large, digital-savvy consumer base; latent demand (e.g., 60%+ share of informal credit in overall debt demand; credit under-penetration in consumption financing); structural innovation driving expansion of addressable market, exemplified by enablement of UPI on Rupay cards; and extension of credit on UPI (via credit cards/line)
- **Strategic exits likely to continue as fintechs target business expansion**—for example, 2023 saw Razorpay acquire BillMe to expand offline business, LendingKart acquired Upwards to provide personal loans and instant credit lines

Notes: "Other fintech" includes wealthtech, neobanks, etc.; VC = venture capital; RBI = Reserve Bank of India; UPI = unified payments interface; NBFC = non-banking financial company
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Software & SaaS[1] funding decelerated as investors set a high-performance bar, particularly in later stages; start-ups deferred fund-raising

Funding overview

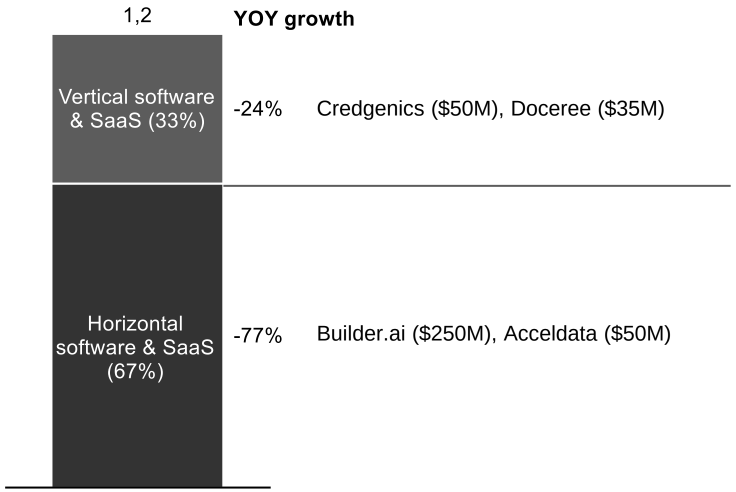
Annual VC investments in India (software and SaaS[1] focused, $B)



	2022	2023
Number of deals	**250**	**187**
Salience (percentage of total VC investments)	**16%**	**13%**
Share of <$20M deals by value	**23%**	**44%**

Sectoral trends

Investment split across segments ($B)



- **While funding declined, vertical software & SaaS demonstrated greater resilience versus horizontal (gaining salience from 13% to 33% over 2022–23)**, as the segment is characterized by greater stickiness given close integration with core business workflows (e.g., Credgenics enables NBFC debt collections/recovery) and lower competition vs. horizontal SaaS; investments spanned multiple verticals, incl. healthcare (e.g., Doceree, Healthplix), financial services (e.g., Credgenics, Mintoak), and apparel (e.g., Ace Turtle, Showroom B2B)
- **Deal value and volume in horizontal software & SaaS declined** in line with softening witnessed globally

Key drivers

- **Investors remained selective, especially in the late stage** (three $100M+ deals in 2023 vs. 10 in 2022)**—**stricter bar on SaaS companies demonstrating performance (e.g., "rule of 40"); **early stage relatively less impacted** (0.8x <$20M deals in 2023 compared to 2022)
- **Start-ups deferred fund-raising amid compressed valuations** with headwinds posed by high interest rates and growth hurdles (e.g., protracted enterprise sales cycles, contracted SaaS budgets); specifically, **late-stage firms tightened spending** to extend runway following large rounds over 2021–H1 2022

Future outlook

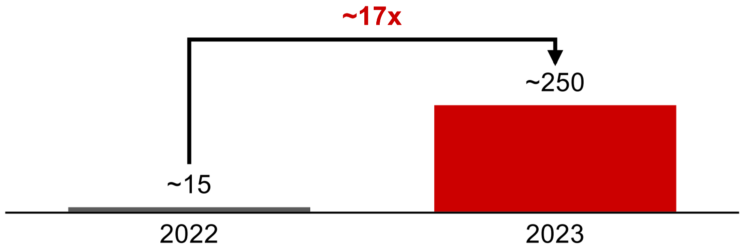
- **Multiyear outlook remains positive—**a growing number of start-ups are establishing category depth (e.g., themes such as CRM, conversational AI, contract lifecycle management, developer tools); sharpening international GTM, especially in the US as macroeconomic headwinds wane; and riding domestic tailwinds (e.g., digitization of healthcare data, such as medical records in India impelling vertical SaaS)
- **Exits via IPO are anticipated to ramp up with economic recovery—**10+ SaaS companies in India are "IPO ready," based on scale

(1) Generative AI deal activity not included in software & SaaS
Notes: Horizontal business includes customer relationship management (CRM), enterprise resource planning (ERP), human capital management (HCM) ; IPO = Initial Public Offering; VC = venture capital; GTM = go to market strategy; NBFC = non-banking financial company
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Generative AI emerged as a prominent theme—generative AI apps attracted majority of funding, outpacing infrastructure start-ups

Funding overview

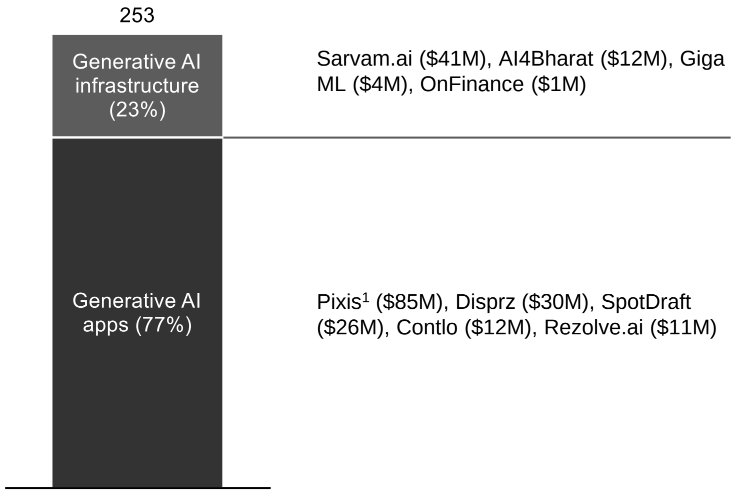
Annual VC investments in India (generative AI focused, $M)



	2022	2023
Number of deals	**<5**	**17**
Salience (percentage of total VC investments)	**<1%**	**3%**

Sectoral trends

Investment split across segments ($M)



- **Approximately 80% of generative AI application funding was attracted by existing companies integrating generative AI in their extant workflows,** in comparison with ~20% funding to generative AI-native start-ups
- **While generative AI infrastructure start-ups have experienced initial success, India has seen a slower start compared to peer economies—**for instance, AI21 Labs, based in Israel, closed a funding round of $155M in 2023

Key drivers

- **Investments impelled by strong early signs of product-market fit for generative AI use cases—**in marketing (e.g., Contlo, Pixis, Rocketium), support (e.g., Atomicwork, Rezolve.ai), and legal (e.g., Spotdraft)
- **Funding was attracted by companies that seamlessly embedded generative AI in business workflows and drove tangible** outcomes (e.g., in content review and summarization, automated marketing campaign creation); in contrast, fewer companies have exhibited substantial data advantages, such as large and expanding proprietary datasets for continual model enhancement

Future outlook

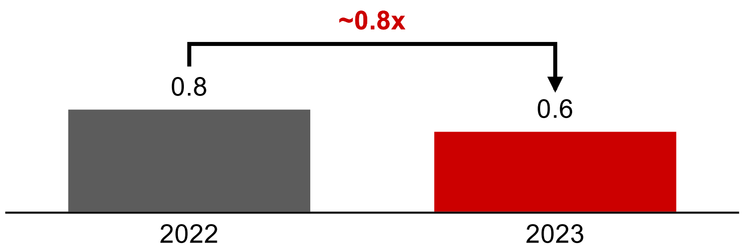
- **Landscape likely to be dominated by generative AI apps vs. infrastructure—**India lags peer economies in research (<1% share of authors covering LLMs/multimodal models from India vs. 20%+ UK) and infrastructure (lower volume of GPU clusters in India vs. US, UK, China, and UAE); in contrast, India's strong generative AI development activity (second highest generative AI contributor base on GitHub) and large talent base with understanding of software/SaaS workflows is expected to drive app growth
- **Ecosystem is likely to be propelled by investments from Indian corporates in developing and acquiring generative AI capabilities** (e.g., Ola introduced Krutrim LLM model, Tech Mahindra working on "Project Indus")

(1) Pixis, included in generative AI as the funding from round raised in 2023, is earmarked for developing generative AI capabilities
Notes: VC = venture capital; LLM = large language model; GPU = graphics processing unit
Sources: Bain & Company; Tracxn; Pitchbook; Venture Intelligence; AVCJ; VCCEdge; Nasscom; GitHub; Stanford Institute for Human-Centered Artificial Intelligence (HAI)

Electric mobility funding showed resilience as investors continued to bet on the maturing ecosystem and favorable policies—infrastructure funding spiked

Funding overview

Annual VC investments in India (electric-mobility focused, $B)



	2022	2023
Number of deals	**43**	**44**
Salience (percentage of total VC investments)	**3%**	**7%**

Sectoral trends

VC investment in electric mobility value chain ($M and key deals)

	Battery	Auto & other components	OEM sales & service	Charging	Battery swapping	Mobility services
2023:	**$52M**	**$13M**	**$346M**	**$93M**	**$37M**	**$94M**
	Exponent ($26M)	Nysha ($4M)	Ola Electric ($140M)	Chargezone ($46M)	Battery Smart ($33M)	BluSmart ($37M)
	Log9 Materials ($11M)	InCore ($3M)	Ather ($109M)	Magenta EV ($22M)	Kazam ($4M)	Zypp Electric ($20M)
2022:	*$33M*	*$5M*	*$594M*	*$43M*	*$45M*	*$89M*

Key drivers

- **Deal activity across broader ecosystem showed resilience, barring OEM funding decline**—investor sentiment toward OEMs waned due to uncertainty surrounding FAME subsidy outlook, as FAME II subsidy for two-wheelers saw a reduction from 40% to 15% of ex-factory price
- **~50% surge in charging infrastructure funding**—funding expected to be deployed in geography/footprint expansion to address EV infrastructure gaps and alleviate range anxiety ahead of anticipated rise in demand (8x growth in EV penetration forecasted by 2030); beyond the core value chain, investor interest extended to the broader ecosystem (e.g., $5M rounds each by RevFin, specializing in EV financing, and BatX, specializing in EV battery recycling)

Future outlook

- **High deal momentum anticipated,** as the Indian electric mobility ecosystem is expected to unlock a $100B+ revenue pool by 2030
- **Positive structural and commercial tailwinds expected to propel EV adoption,** including introduction of more affordable EV options across segments, expanded nonmetro distribution, enhanced ownership economics (especially for fleet operators), charging infrastructure enhancements, and supportive policies (e.g., PLI, FAME II) along with the BS VI mandate for ICEs
- **Exit prospects via strategic deals expected to remain strong** as firms expand their ecosystem play via M&A (e.g., Maruti Suzuki expressed intent to enter electric mobility, BluSmart invested in battery recycling business BatX)

Notes: FAME = faster adoption and manufacturing of hybrid and electric vehicles; VC = venture capital; EV = electric vehicle; PLI = production-linked incentives; M&A = mergers and acquisitions; OEM = original equipment manufacturer; FAME is a subsidy scheme focused on electrification of public and shared transportation; BS VI = Bharat stage emission standards 6, the sixth version of the emission standards for four-wheelers and two-wheelers; ICE = internal combustion engine
Sources: Bain & Company; Tracxn; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

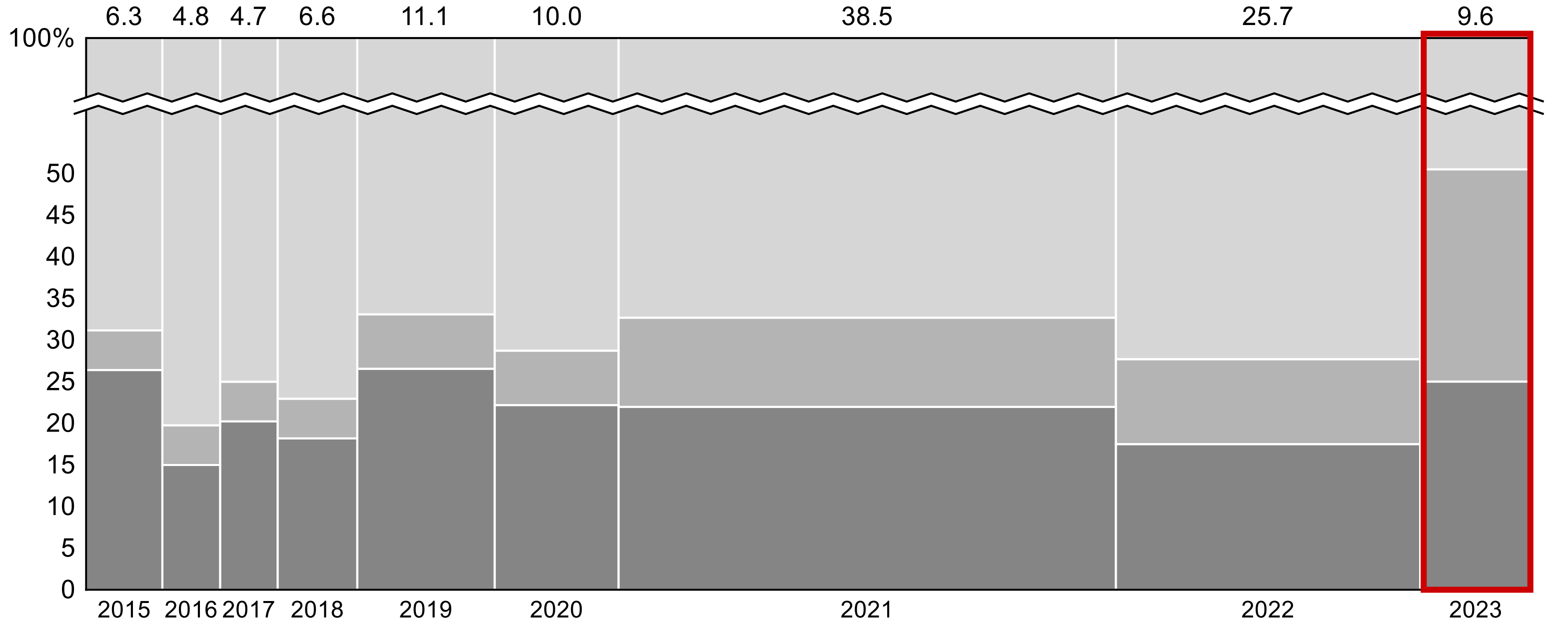
4 Investor base and fund-raising

Investor base and fund-raising

- Investments between leading VCs and PEs democratized in 2023. PEs doubled their share of investments through participation in select but large deals (e.g., ADIA- Lenskart; Temasek-Ola Electric, General Atlantic-PhonePe). In contrast, top VCs shifted to smaller ticket deals (less than $50 million).
- Crossover fund participation compressed by almost 90%. Continuing the trend from 2022, Tiger Global and Softbank significantly decelerated deal activity. Tiger Global refrained from placing new bets and backed existing portfolio companies, while Softbank made no new investments.
- Family offices remained salient over 2022–23, despite halving deal activity, providing crucial early-stage capital—key deals include Bluestone (MEMG Family Office), Aequs (Sparta Group), and FirstCry (MEMG Family Office). Corporate venture capitals (CVCs) witnessed their lowest activity level in over five years (83 deals, approximately 9% of VC deals vs. 12% in 2022), signalling caution among corporations amidst prevailing macroeconomic challenges.
- Fund-raising in 2023 slowed to $4 billion, as previous record-setting raises ($8 billion in fund-raising in 2022) and cautious capital deployment stockpiled dry powder. There was a “change of guard” with domestic VC funds leading the charge and driving more than 90% of fund-raising. Notably, domestic VCs launched numerous thematic funds focused on emergent themes and sectors, including sustainability (e.g., $150 million by Omnivore) and gaming (e.g., $25 million by Lumikai). In contrast, major global VC funds remained reserved, having raised substantial funding in the previous year. Notably, maiden funds accounted for a quarter of the fund-raising, underscoring sustained investor interest in India as a promising investment destination.

2023 witnessed a continued “democratization of investments” between leading VCs and PEs—the latter doubled their share of investments over 2022–23

Annual VC investments in India
($B, split by leading India VCs)



	2015	2016	2017	2018	2019	2020	2021	2022	2023
Share of leading investors in deal value	28%	16%	21%	19%	28%	24%	25%	18%	25%
Growth equity deals by PE firms	<5%				<7%		~12%	~10%	~25%

Leading VC investors | Traditional PE/growth funds | Other (including other VCs/mVCs, CVCs, family offices)

1 **Crossover fund participation declined sharply** (from 57 to 5 deals over 2022–23)—key investors (Tiger Global and SoftBank) substantially decelerated dealmaking, continuing the trend from 2022

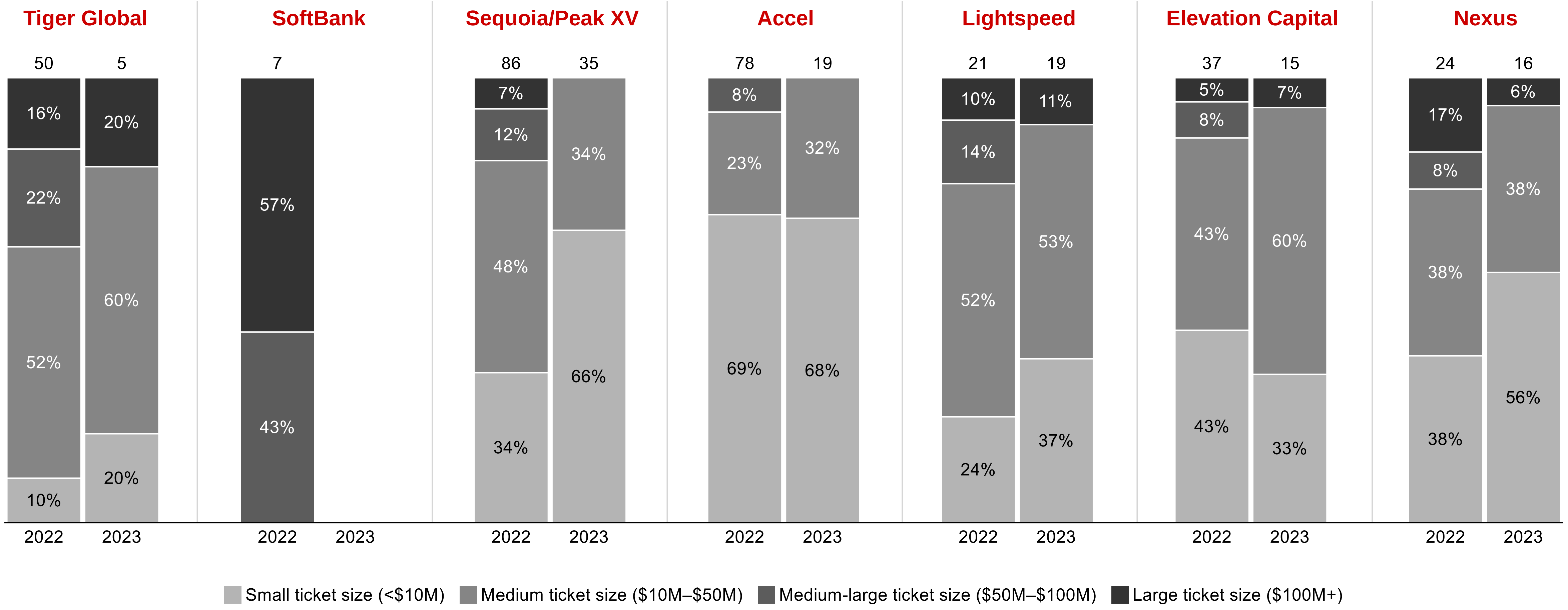
2 **Traditional PE firms/growth funds doubled in share of activity in 2023** (~10% to ~25% of deal value over 2022–23)—activity was focused on select late-stage and large-size deals (e.g., ADIA’s investment in Lenskart; Temasek in Ola Electric and General Atlantic in PhonePe)

3 **CVCs and family offices remained salient** (16% of deal volume in 2023)—activity primarily comprised of small ticket deals of <$10M (65%–70% share by volume)

Notes: “Leading VC investors”’ defined as top firms by deal activity over the last five years ($1B+ deployed and 35+ deals or $500M+ deployed and 50+ deals over 2019–23)—list includes Tiger Global, Sequoia/Peak XV, Accel, Lightspeed India Partners, Elevation Capital, Nexus Ventures, SoftBank, Matrix Partners India, Steadview Capital; crossover funds include Tiger Global and SoftBank; VC = venture capital; PE = private equity; CVC = corporate venture capital; ADIA = Abu Dhabi Investment Authority
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Crossover fund activity significantly slowed, while leading VC investors shifted focus to smaller ticket deals in 2023

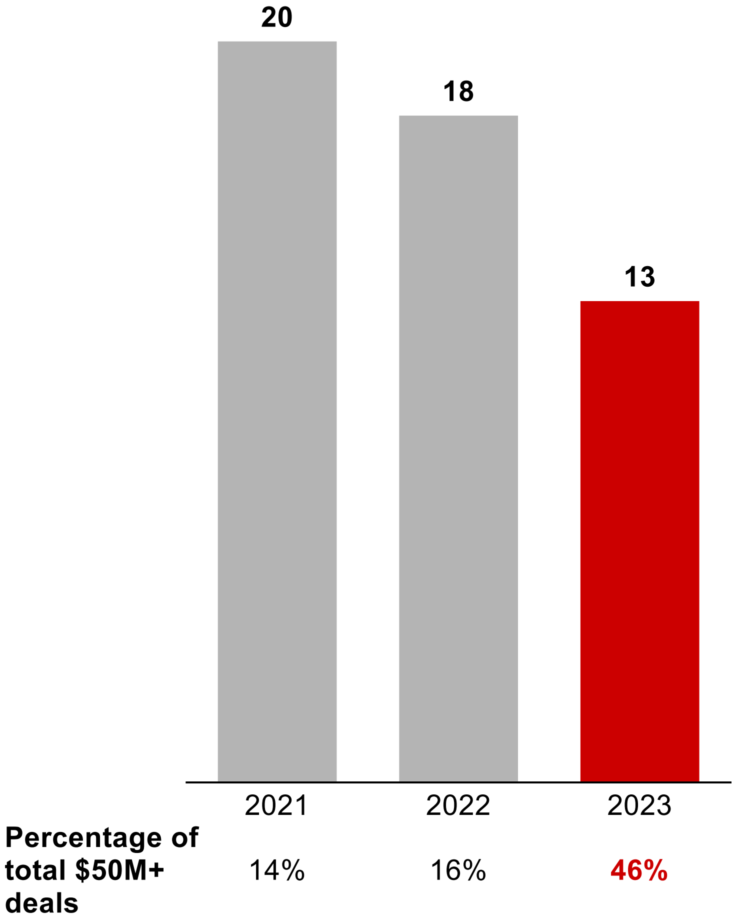
Number of VC deals* for leading investors in India (split by overall deal size)**



*Includes only disclosed deals; **Leading investors defined as top firms by deal activity over the last five years ($1B+ deployed and 35+ deals or $500M+ deployed and 50+ deals over 2019–23)
Notes: VC = venture capital
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

PE/growth funds contributed to a higher share of larger rounds despite selectively participating in deals, reflecting sustained interest in growth equity

Notable growth deals by PE/growth investors
($50M+ deals led/co-led by PEs)



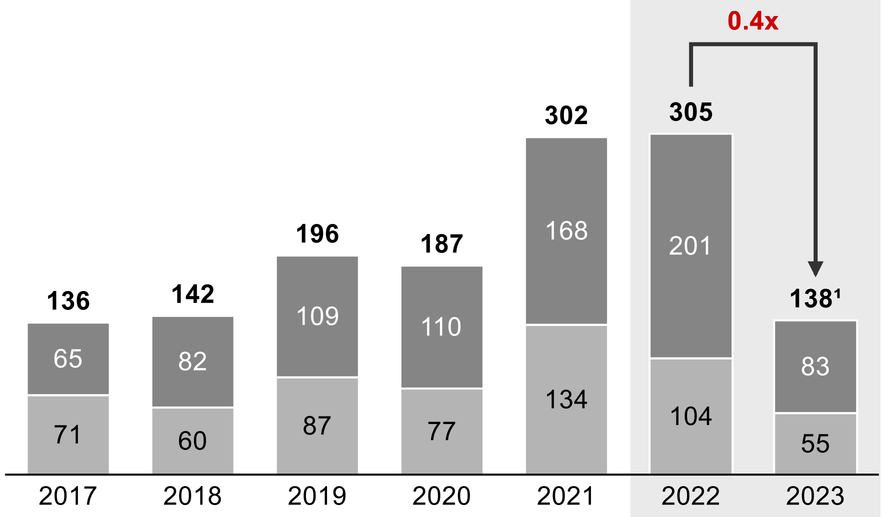
Select growth equity deals with participation from PE/growth funds in 2023

Company	Investors (PE, others)	Domain	Total deal value ($M)
PhonePe	**General Atlantic**, Ribbit Capital, TVS Capital, Tiger Global, Walmart	Fintech	850
Lenskart	**ADIA, ChrysCapital**	B2C commerce	600
PharmEasy	**Temasek, TPG Growth, CDPQ**, Prosus, Eight Roads, LGT Capital Partners, ADQ, Amansa Capital, Orbimed	Healthtech	265
Builder.ai	**Qatar Investment Authority (QIA)**, Iconiq Capital, Jungle Ventures, Insight Partners	Software & SaaS	250
Perfios	**Kedaara Capital**	Software & SaaS	229
Ola Electric	**Temasek**	Electric mobility	140
KreditBee	**Advent International**	Fintech	120
Atomberg	**Temasek**, Jungle Ventures, Inflexor Ventures, Trifecta, Steadview Capital	Consumer retail	86
Xpressbees	**Ontario Teachers Pension Plan**	Shipping and logistics	80
Dr. Agarwal's Health Care	**Temasek, TPG Growth**	Healthcare	80

Notes: Deals with smaller PE participation may not be included; examples above are illustrative and not exhaustive; PE = private equity; ADIA = Abu Dhabi Investment Authority
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Family offices and CVCs reduced deal activity—CVCs also declined in salience from 12% of deal activity in 2022 to 9% in 2023

VC deals in India with participation from family offices and CVCs
(split by type of fund)



	2017	2018	2019	2020	2021	2022	2023
FO & CVC share (Percentage of of total VC deals)	**23%**	**26%**	**26%**	**23%**	**20%**	**19%**	**16%**
CVC share (Percentage of total VC deals)	11%	15%	14%	14%	11%	12%	9%
Family office share (Percentage of total VC deals)	12%	11%	12%	10%	9%	6%	6%

Overview of select family office and CVC deals[2] in 2023

Family offices

Company	Family office	Month	Total deal value[3]
Bluestone	MEMG Family Office	Sep'23	$66M
Aequs	Sparta Group	Oct'23	$54M
FirstCry	MEMG Family Office	Aug'23	$52M
InsuranceDekho	Yogesh Mahansaria Family Office	Oct'23	$51M
Wakefit	Verlinvest	Jan'23	$40M

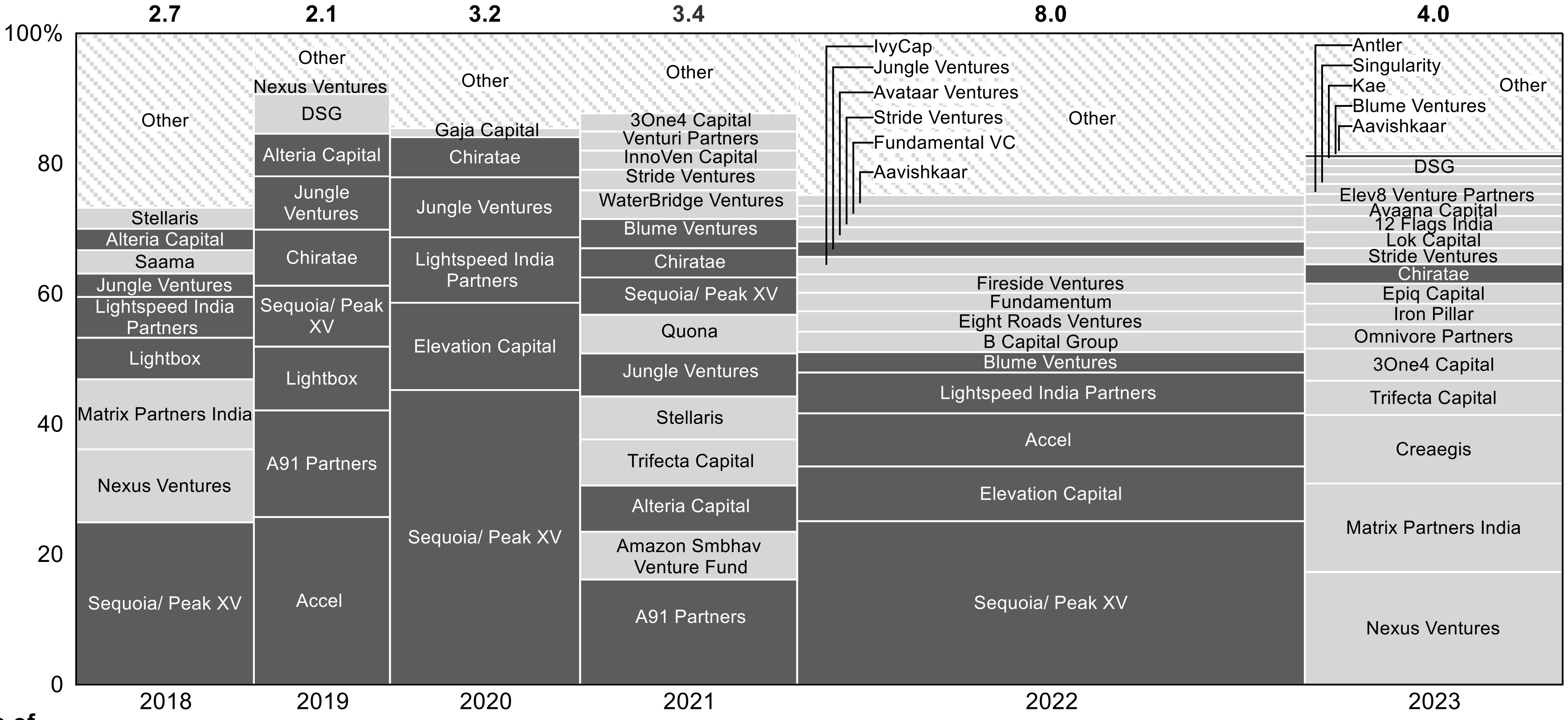
CVCs

Company	CVC	Month	Total deal value[3]
FreshToHome	Amazon Smbhav Venture Fund	Feb'23	$104M
VeGrow	Prosus Ventures	Dec'23	$46M
Safe Security	Telstra Ventures	Apr'23	$50M
Blu-Smart Mobility	BP Technology Ventures	May'23	$37M ($61M)*
Pixxel	CapitalG (Alphabet)	Jun'23	$36M

(1) Eight deals had CVC and family offices involved; (2) Does not include strategic investments directly undertaken by corporates or their holding companies; (3) Indicates total deal amount—respective family office/CVC may have a smaller participation; *Total funding over different rounds in 2023
Notes: CVC = corporate venture capital; VC = venture capital; FO: family office
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Fund-raising in 2023 halved ($4 billion vs. $8 billion in 2022), driven by significant prior dry powder buildup and cautious deployment

India focused/allocated funds raised by VCs[1] ($B, split by investors)
Does not include global fundraises that may eventually invest in India assets



	2018	2019	2020	2021	2022	2023
Share of fund-raising by top investors	44%	85%	84%	45%	53%	4%

Top investors (based on funds raised in the last five years: 2018–2022)

Fund-raising overview

Overall fund-raising declined by ~50% as dry powder accumulated, with record fund-raises in 2022, and capital deployment softened

0.6x decline in high-value fund-raises—$200M+ decreased from 10 to 4 over 2022–23; largest fund-raise in 2023 was $700M (Nexus Venture Fund VII) vs. $2B in 2022

Domestic VCs comprised 90%+ of fund-raising (e.g., Creaegis, Trifecta Capital, 3One4 Capital, Omnivore Partners)

Maiden funds[2] accounted for 25% of fund-raising in 2023 (e.g., Creaegis, Antler, Pavestone)

(1) Includes funds raised by global or domestic VCs that are exclusively earmarked for India; Values comprise closed fund-raises (e.g., interim closes)—target corpus could be larger in size; Global or regional funds raised by investors not included; (2) Includes funds raised in 2023 by first VC funds of domestic VCs, Indian arms of global VCs and VC arm of other investment agencies—amount includes amount raised in 2023; Nexus Ventures is categorized as a domestic VC fund due to its India-focused portfolio
Notes: VC = venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ

Domestic VCs led 2023 fund-raising and several thematic funds were launched

Top global VCs[1] did not raise India-focused funds in 2023 given available dry powder from previous record raises

No fund-raise by major global VCs in 2023

Domestic VCs saw a surge in prominence with substantial fund-raises (~40% share to ~90%[2], 2022–23)

$213M
Trifecta Venture Debt Fund III

$200M
3one4 Capital Fund IV

$129M
Iron Pillar India Fund II

$125M
Epiq Capital Fund II

Notably, domestic VCs launched numerous thematic funds, including those dedicated to sustainability, gaming, and SaaS

$150M
Omnivore: agritech and climate sustainability fund

$70M
Avaana: climate and sustainability fund

$25M
Lumikai: gaming and interactive media fund

$25M
BoldCap: SaaS fund

(1) Includes global VCs that are part of top investors, based on funds raised in last five years (2018–22); (2) Remaining 10% includes smaller global VCs (e.g., Antler, DSG Consumer Partners)
Notes: VC = venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ

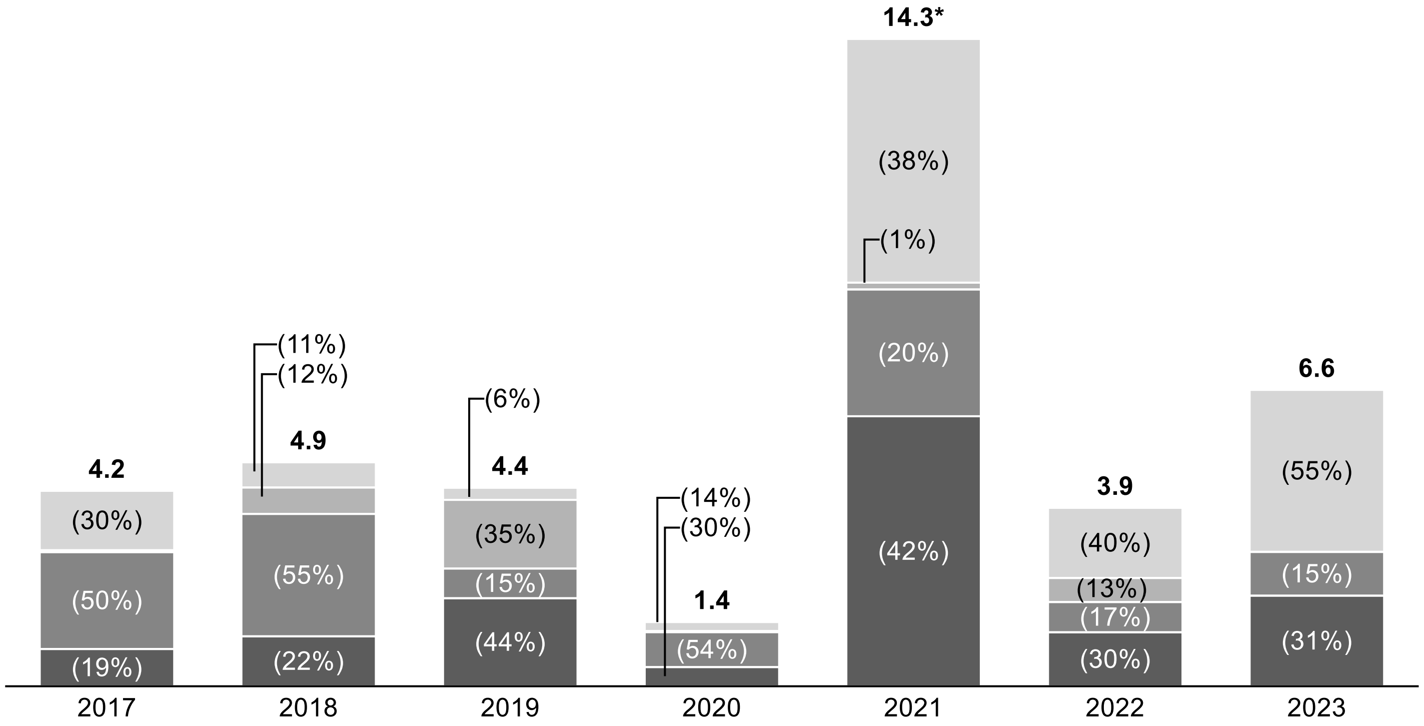
5 Perspectives on exits landscape

Perspectives on exits landscape

- Exits surged almost 1.7x to reach $6.6 billion in 2023 as investors sought to provide LPs liquidity in a high-interest-rate environment. Crossover funds contributed close to 65% of overall exits across a range of modes, including public trades, secondaries, and strategic sales.
- The majority of exits in 2023 were through public market sales, contributing to nearly 55% of the total exit value. Within this, non-IPO public trades dominated (approximately 95% share by value), experiencing a 3.5x surge led by Tiger Global and Softbank. This increase offset the decline in IPOs, which contracted close to 0.4x of 2022 exit value, as tech valuations remained depressed. Looking ahead, positive public market indicators in late 2023, such as the rise in public indexes and mounting IPO activity, foreshadow an impending ramp-up in IPOs.
- Both secondary and strategic sales increased in value and held salience (approximately $1.9 billion to $3 billion over 2022–23) driven by large exits, e.g., Lenskart (to ADIA) and Flipkart (to Walmart).

Exits gained momentum over 2022–23, led by public market and strategic exits; IPOs declined as public market valuations of tech stocks remained challenged

Value of VC exits in India
($B, split by mode of exit)



	2017	2018	2019	2020	2021	2022	2023
Average exit value ($M)	36	29	38	19	123	44	79
Number of exits	116	170	116	73	78	89	83

Public market sale including IPO | Buyback | Secondary sales | Strategic sales

Public market exits

Public market exits gained share led by a rise in public trades— IPOs contracted by ~65% as tech valuations remained depressed; however, public market trades surged ~3.5x ($0.9B to $3.4B in exits over 2022–23), driven by large exits by crossover funds (Tiger Global, SoftBank)—e.g., exits from Freshworks, Paytm, Zomato

Buybacks

Buybacks comprised <1% of exit value as founders prioritized cash conservation over buying back stakes

Secondary sales

Secondary exits value increased (~$0.7B to ~$1.0B) primarily driven by the sizeable Lenskart exit ($480M)

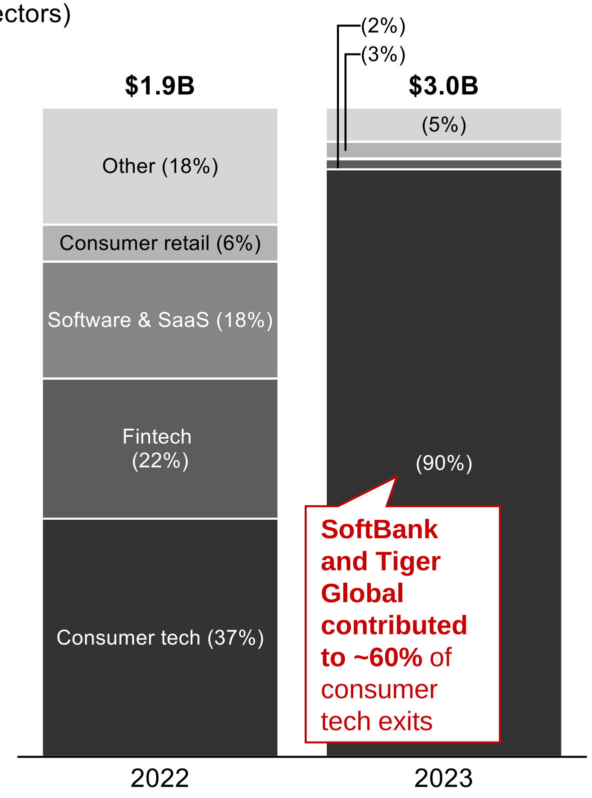
Strategic sales

Strategic sales surged ~1.7x led by Tiger Global and Accel's mega exit from Flipkart ($1.8B)

*Includes $4.7B Billdesk acquisition by PayU, which was called off in October 2022
Notes: Exits with undisclosed deal amounts have not been included; Exit volume and value only include companies listed in India or with the majority of workforce based in India; Freshworks has been included in 2023 as the majority of the workforce is based in India; CaratLane is excluded from 2023 as the exit only entailed founder's stake sale; MuSigma accounted for 90% of the Buyback value for 2022; VC = venture capital; IPO = initial public offering
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin

Majority of secondary and strategic sales were in consumer tech– investors exited positions as the companies achieved sizeable scale and valuations

Secondary or strategic sale
(split by sectors)



	2022	2023
Strategic sales (Percentage of total exit value)	30%	31%
Secondary sales (Percentage of total exit value)	17%	15%

Average exit value increased from $32M to $74M over 2022–23, largely driven by sizeable exits from consumer tech companies (e.g., Lenskart, FirstCry, Flipkart)

Key secondary exits in 2023

Company	Key exiting investors	Buyers	Sector	VC exit value
Lenskart	Chiratae Ventures, PremjiInvest, **SoftBank**	ADIA	Consumer tech	$480M
FirstCry	**SoftBank**	Sachin Tendulkar, Ravi Modi, Kris Gopalakrishnan	Consumer tech	$75M
Meesho	VH Capital	WestBridge	Consumer tech	$53M
FirstCry	**SoftBank**	DSP FO, MEMG FO	Consumer tech	$52M
Purplle	JSW Venture Fund	ADIA	Consumer tech	$50M

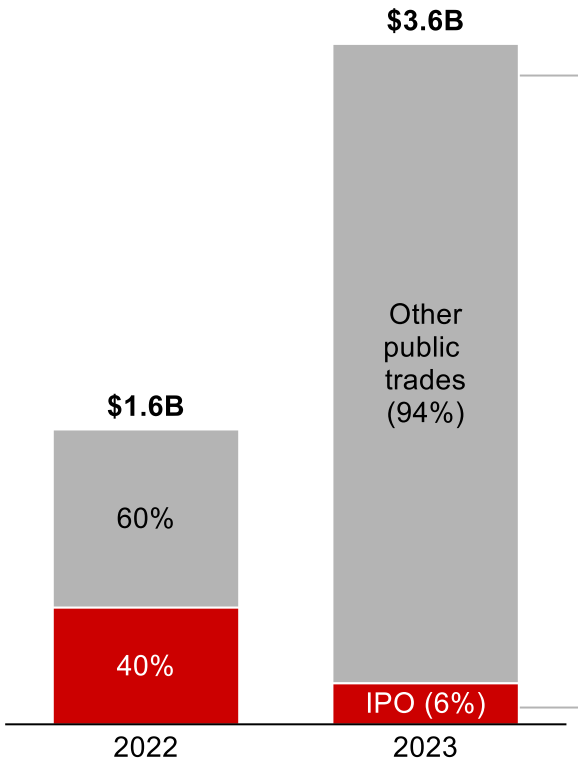
Key strategic exits in 2023

Company	Key exiting investors	Buyers	Sector	VC exit value
Flipkart	**Tiger Global**, Accel India	Walmart	Consumer tech	~$1.8B
Adpushup	Purvi Capital, Kima Ventures, LetsVenture	Geniee	Consumer tech	$70M
Yogabars	Elevation Capital, Fireside Ventures	ITC	Consumer retail	$22M
Pocket Aces	3One4 Capital, Aarin Capital, Axilor Ventures, DSP Group, North Base Media, Peak XV	Saregama	Consumer tech	$21M
Chaitanya India	Blume Ventures, Habitat Micro Build India, Hinduja Leyland, Karvy Capital, Navi, RBL	Svatantra Microfin	BFSI	$20M

Notes: "Other" includes shipping and logistics, media and entertainment, advanced manufacturing, BFSI, B2B commerce, IT, and IT-enabled services; VC = venture capital; BFSI = banking, financial services, and insurance; FO = family office; MEMG = Manipal Education & Medical Group; ADIA = Abu Dhabi Investment Authority
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin

Surge in public trades offset moderation in IPOs (approximately 40% to approximately 6% of public market exit value over 2022–23)

Total public market exits with VC participation
(split by mode of exit)



Public market exits share (Percentage of total exits)	2022	2023
	40%	55%

Other public trades

Non-IPO public market VC exits (i.e., via other public trades) surged 3.5x to reach ~$3.4B in 2023— crossover funds (SoftBank and Tiger Global) comprised a large share of the exit value (~75% and ~$2.5B)

Key IPOs with VC exits in 2023

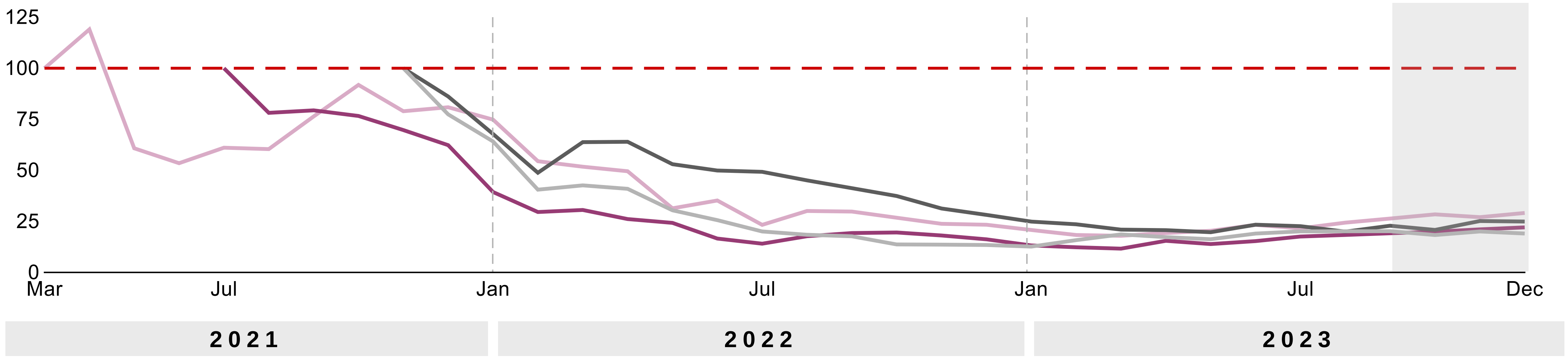
Company	Month	Sector	Key exiting investors	Exit value
Mamaearth	Nov'23	Consumer retail	Stellaris, Fireside Ventures	$110M
India Shelter Finance Corporation	Dec'23	BFSI	Nexus Ventures, Madison	$48M
Ideaforge	Jul'23	Advanced manufacturing	Qualcomm Ventures, IndusAge Partners	$34M
Senco Gold	Jul'23	Consumer retail	Elevation Capital	$16M
Zaggle	Sep'23	Software & SaaS	VenturEast	$7M

Anticipated rise in 2024 IPOs, propelled by recovering public market indices and declared corporate intentions; 10+ tech IPOs expected—Ola Electric, FirstCry, and Swiggy are among the most notable

Notes: Public market sales with VC participation include public market exits where the seller/exiting investor is a VC; examples above are illustrative and not exhaustive; VC = venture capital; BFSI = banking, financial services, and insurance; IPO = initial public offering
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange

Public market recalibrated valuation of tech stocks over 2022–23 leading to dampening of IPOs; however, rebound of indices in Q4 indicates optimism

Enterprise Value/Revenue multiple of select India-listed tech stocks (IPO in 2021)
(First trading day multiple indexed at 100)



Broader rebound in public market indices in late 2023 signaled optimism for 2024

NIFTY 50 Index (QoQ)	14,695	15,139	16,587	17,616	17,280	16,503	17,140	18,060	17,643	18,285	19,598	20,074

	2021	2022	2023
Number of IPOs with VC exits	10	6	6
IPO share (Percentage of total exits)	36%	16%	3%

Nazara Technologies (listed in Mar'21) Zomato (Jul '21) Nykaa (Nov'21) PolicyBazaar (Nov'21)

Notes: VC = venture capital; IPO = initial public offering
Sources: Bain & Company; S&P Capital; National Stock Exchange

6

Key shifts in the start-up ecosystem and 2024+ outlook

Key shifts in the start-up ecosystem and 2024+ outlook

- While the landscape witnessed flux by way of executive departures and funds trimming exposure to the Indian market, investors adapted to the “new normal” and positively influenced the maturity of the Indian ecosystem. Investors turned their focus from tech-first bets to traditional sectors characterized by strong growth tailwinds. Governance guardrails were bolstered throughout the deal life cycle to plug gaps highlighted by lapses in recent years.
- Regulatory and policy changes yielded an overall positive outlook. Developments in 2023 laid groundwork for structural tailwinds, fostering product innovation and venture creation (e.g., public-private partnership [PPP] in deep tech, expanded digital rails, expanded production-linked incentives [PLI] ambit). Simultaneously, stakeholders grappled with select regulations that presented short-term headwinds, such as the expanded Angel Tax mandate, tightening consumer lending, and increased goods and services tax (GST) burden in the real-money gaming (RMG) sector.
- In the face of challenges, start-ups demonstrated resilience and glimpses of optimism for 2024. Despite large-scale shuttering, layoffs, and restructuring, start-ups stayed the course on profitability. Several notable companies turned green in 2023 (e.g., Groww, LendingKart, Indifi, Arya.ag, Urban Company), and continued to drive deep-tech innovation (e.g., in generative AI, aerospace).
- Additionally, numerous promising sectors and themes are primed to draw investor interest in the near term. Erstwhile dominant sectors like B2C commerce and software & SaaS are expected to rebound as structural tailwinds persist. Further, several emergent themes, such as sustainability-centric agritech, energy transition, and India-nuanced AI tooling, are projected to surge in funding activity in the near term.
- Over the longer term, global investors will likely remain bullish on India as an investment destination, as the market’s demonstrated macroeconomic fundamentals, fiscal and monetary discipline, latent talent pools, and ever-expanding digital backbone present attractive prospects for venture building.

Investor landscape underwent several shifts as challenges persisted; however, VCs stayed resilient by adapting to the “new normal”

2023 saw flux in the VC ecosystem with organizational and strategic changes

Noteworthy organizational shake-ups at VCs
Peak XV spin-off from Sequoia Capital; senior departures occurred at multiple funds (e.g., Orios, Lightbox, SoftBank)

Global funds trimmed India exposure
Omidyar Network announced exit from India; crossover funds (Tiger Global, SoftBank) accelerated exits and softened capital deployment

However, there were numerous instances of VCs adapting to both the “new normal” and transitory headwinds

Shift in investment paradigm from tech-first to traditional sectors* with notable growth tailwinds; in these businesses, funds entered earlier while taking large stakes to match size of exit outcomes from comparable tech-first investments

DEEP DIVE AHEAD

Capital-challenged VCs doubled down on existing portfolio
VCs, amid fund-raising challenges, reinforced existing investments to navigate macro headwinds and boost return prospects

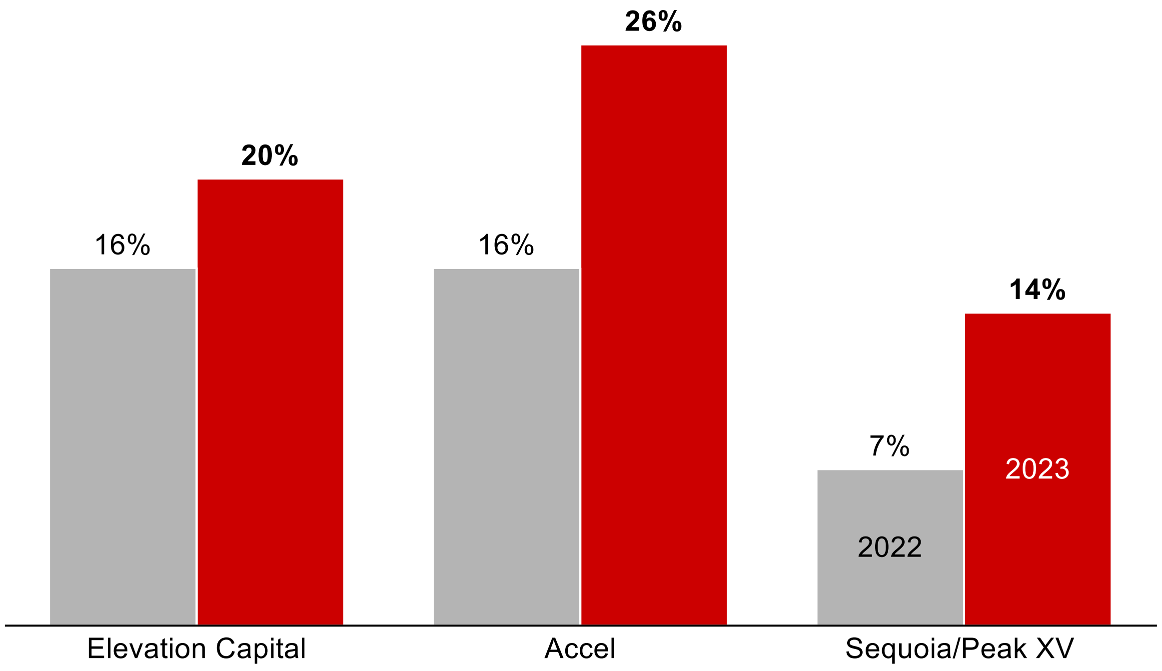
Reinforced governance rails across deal lifecycle, including heightened pre-deal diligences and audits, recurring Big Six audits, and multilayered controls for large financial transactions post-deal

*Traditional sectors include consumer retail; banking, financial services, and insurance (BFSI); manufacturing; shipping and logistics; engineering and construction; and real estate and infrastructure
Notes: VC = venture capital
Sources: Bain & Company

Investors shifted focus from tech-first bets to more traditional sectors, such as BFSI, consumer products, and retail

Prominent VC funds increased their focus on deals in traditional sectors over 2022–23

Share of total investment volume in traditional sectors*
Select examples of investors



Select key deals in traditional sectors*

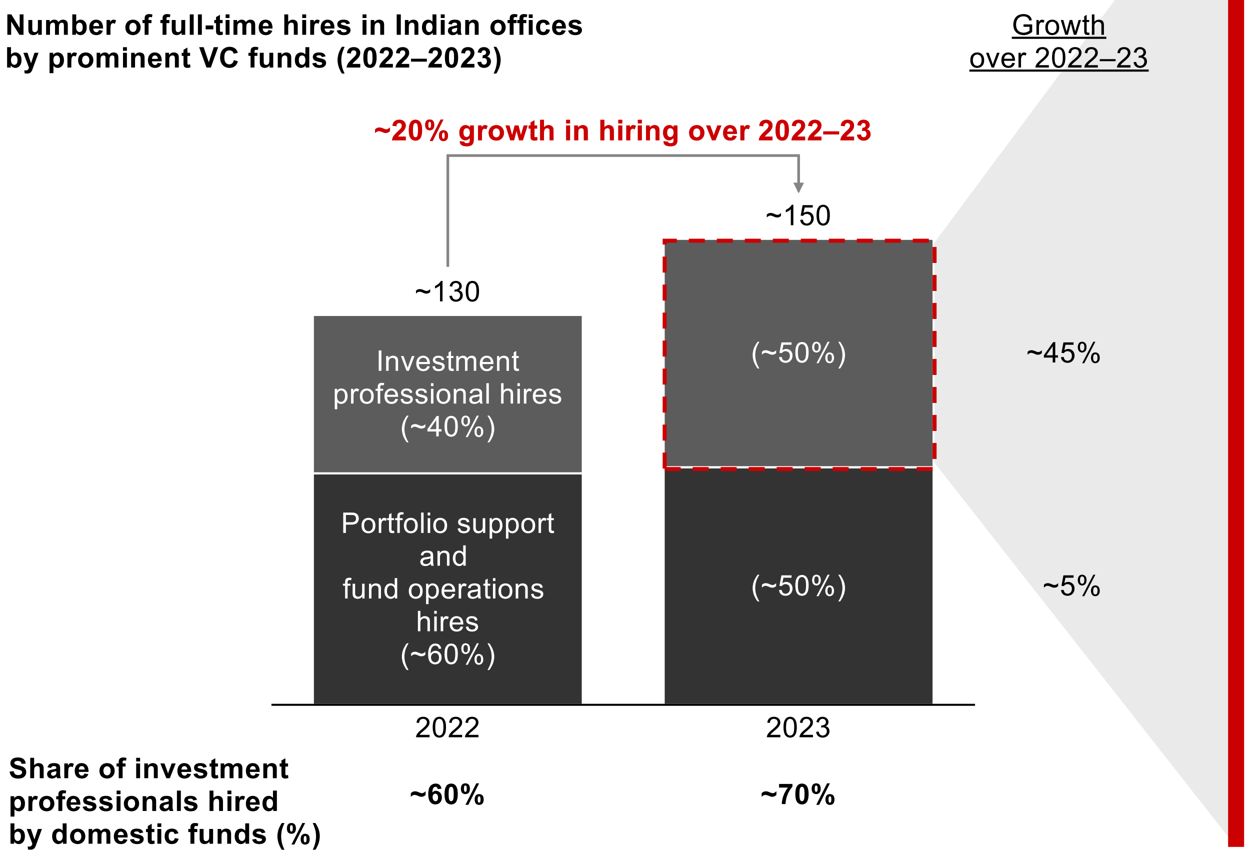
Fund	Company	Sector	Deal value
Elevation Capital	Sarvagram Fincare	BFSI	$35M
	Vridhi Home Finance	BFSI	$18M
Accel	Brick&Bolt	Real estate and infrastructure	$10M
	Fibmold	Advanced manufacturing	$10M
Sequoia/ Peak XV	Neo Asset Management	BFSI	$35M
	ApnaMart	Consumer retail	$9M

* Traditional sectors include consumer retail, BFSI, manufacturing, shipping and logistics, engineering and construction, and real estate and infrastructure
Notes: VC = venture capital; BFSI = banking, financial services, and insurance
Sources: Bain & Company; Pitchbook; Venture Intelligence; AVCJ; VCCEdge

Leading VCs ramped up hiring of investment professionals in 2023, with visible preference for candidates with prior operator experience

Domestic funds led the rise in VC hiring in 2023, notably ramping up investment professional hiring

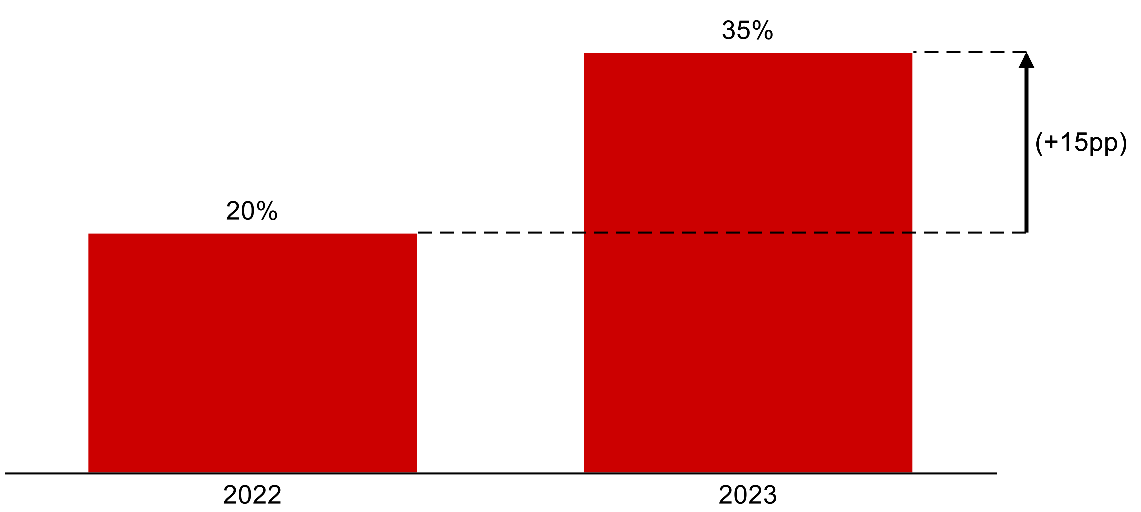
Number of full-time hires in Indian offices by prominent VC funds (2022–2023)



Marked increase in preference for start-up operators

Candidates with prior experience in start-ups attracted greater recruiter interest, as funds placed higher value on deep operational expertise and networks in the domain

Share of hired investment professionals with operator background (2022–23)



Notes: Hiring trends analyzed across prominent funds comprising Accel, B Capital, Chiratae Ventures, Eight Roads, SoftBank, 3one4 Capital, Nexus Ventures, Blume Ventures, Matrix Partners India, Kalaari Capital, Elevation Capital, Steadview Capital, Sequoia/Peak XV, Creaegis, Lightbox, Fireside Ventures, Fundamentum, Jungle Ventures, Lightspeed India Partners; VC = venture capital
Sources: Bain & Company

Regulatory framework remained net-positive in 2023 and provided clarity to the ecosystem, albeit posing headwinds to specific subsectors

Key regulatory developments provided several market tailwinds and primed product innovation …

Persisting focus on financial inclusion
Regulators provided impetus to India-centric product innovation toward deepening access to financial products (e.g., via credit-enabled on UPI and Rupay cards, enabling KYC using Digilocker)

Ongoing expansion of public digital infrastructure
Continued focus on strengthening policy and expanding depth and breadth of functionalities (e.g., UPI services for foreign travelers and conversational payments)

New infrastructural standards to boost green-shoot growth
BIS approved AC/DC combined charging connector standard for LEV, developed indigenously through public-private collaboration; move is expected to drive Indian EV ecosystem development and accelerate EV adoption

Pursuit of furthering “Make in India”
Scope of subsidies and PPP programs expanded to boost innovation in specific sectors (e.g., in dronetech); PLI extended to traditional subsectors in energy, textiles, and food processing and are expected to foster ventures

… while select regulations posed headwinds

Sectoral regulations

Taxation of nonresident investors
Introduction of Angel Tax on nonresident investors dampened sentiment among overseas investors and start-ups; flexibility offered to nonresident investors in determining fair market value of ventures through an expanded set of methodologies is expected to mitigate impact

Tightening of consumer lending norms to control escalating risks
RBI increased risk weights on consumer loans to mitigate rising risk of delinquencies as unsecured lending grew; RBI’s move made credit costlier for borrowers and drove NBFCs and fintechs to enhance assessment of credit worthiness

Short-term challenges accompanied clarity for Indian gaming
Budget 2023–24 conferred greater clarity to real money gamers and ventures on the taxation framework (e.g., TDS, GST); however, start-ups faced revenue headwinds due to increased GST burden on customers

Notes: Angel Tax is levied at 30.9% on net investments in excess of fair market value; Risk weights are used to calculate risk adjusted asset value and lender’s capital adequacy; real-money gaming (RMG) includes games where players have a chance to win payment in some form; PLI = production-linked incentives; RBI = Reserve Bank of India; EV = electric vehicle; UPI = unified payments interface; PPP = private public partnership; KYC = know your customer; BIS = Bureau of Indian Standards; LEV = low emission vehicle; NBFC = non-banking financial company; TDS = tax deducted at source; GST = goods and services tax
Sources: Bain & Company

Reflecting on 2023, the year unfolded as tales of challenges and resilience for start-ups

Tales of challenges

1

Series of shutdowns and overhauls

In 2023, over 35,000 start-ups ceased operations as the funding winter intensified; over 20,000 employees were laid off by leading start-ups[1], with edtech comprising the largest share

2

Broad-based repricing

Repricing across tech start-ups necessitated austerity measures to extend runway (e.g., PharmEasy, Udaan); start-ups rationalized hiring: 2023's top 50 funded start-ups onboarded ~75% fewer employees compared to the 2022 counterparts

Tales of resilience

3

Notable start-ups turn profitable

Notable start-ups across tech-first sectors turned profitable providing sprouts of economic promise, e.g., fintech (Groww, Indifi), BFSI (Lendingkart), agritech (Arya.ag), consumer tech (Urban Company[2])

4

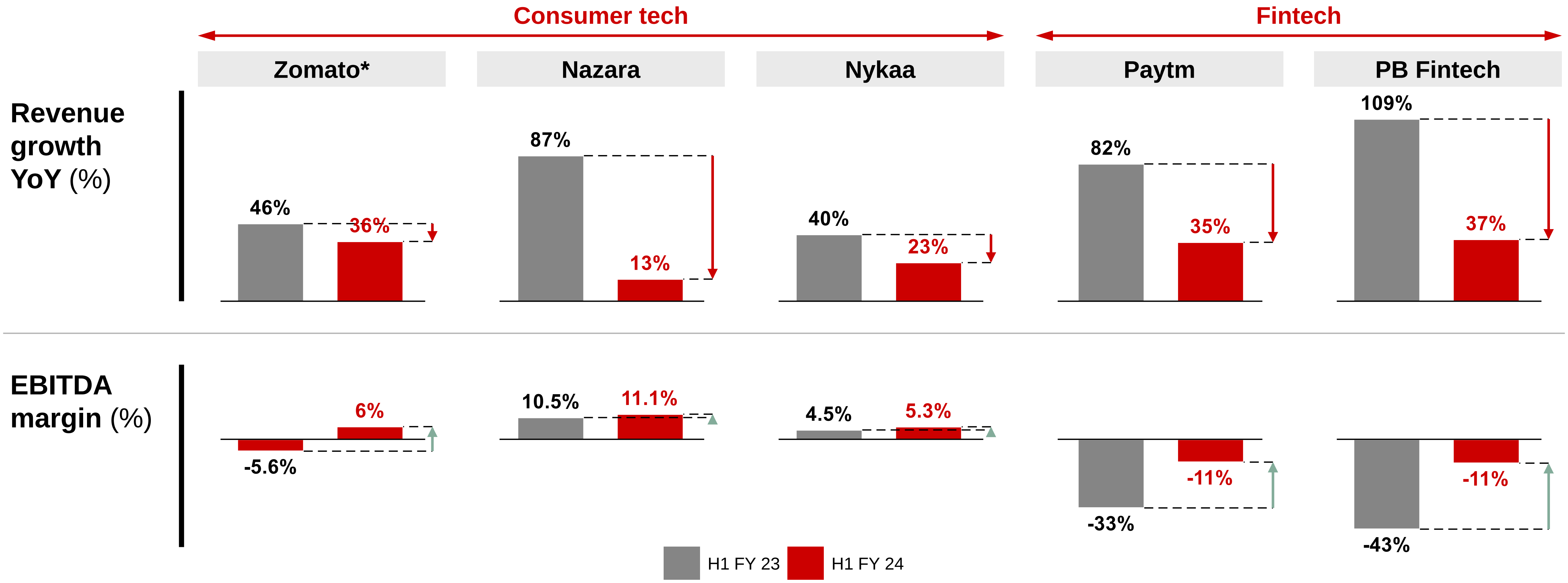
Fervent deep tech activity continued

Deal activity across deep tech sectors continued in 2023, e.g., Sarvam.ai, AI4Bharat and Giga ML in generative AI infrastructure, and Pixxel and Garuda Aerospace in aerospace

Notes: (1) estimated across 75 leading operational start-ups; (2) Urban Company's India business broke even in Q1FY24
Sources: Bain & Company

Several tech companies have noticeably tempered growth to focus on profitability

Prominent publicly listed tech companies enhanced their EBITDA profiles in 2023, making strategic trade-offs with revenue growth



Notes: Year-on-year exchange rates are used to calculate revenue in USD; fiscal cycle is from April to March; *Zomato excludes Blinklt
Sources: Bain & Company; Cap IQ; Annual reports

Looking at the near future, sectors such as B2C commerce, SaaS and themes such as energy transition, agritech are likely to attract investor interest …

Erstwhile dominant themes with structural tailwinds are set to rebound	**B2C Commerce**	Investor interest in the sector will be driven by expected expansion in India's internet economy (projected to reach $1T by 2030) and growth in e-retail penetration (5%–6% to 12%–13% over 2023–30); recent proof points of large, successful exits (e.g., Flipkart, Lenskart, FirstCry in 2023) expected to further impart investor confidence in the sector
	Software & SaaS	Indian software & SaaS firms remain attractive for investors given strong advantages in economics (50%–70% lower like-for-like salaries in India vs. the US), time-tested global GTM playbooks to accelerate scaling (12+ firms hit $100M+ ARR over 2022–23, vs. 1–2 firms ~5 years ago) and viable exit opportunities (10+ cos. IPO-ready as of 2023 based on scale)
Additionally, funding across several emergent themes is poised to surge	**Energy transition**	Spike in investor optimism is anticipated given favorable policy tailwinds (e.g., 100% FDI, announced investments by government)—ancillary sub-sectors such as EV financing and battery recycling are witnessing heightened deal activities (e.g., fund-raised by RevFin, BatX)
	Sustainability-centric agritech	Demand for plant-based food substitutes and sustainable agro-based materials anticipated to gain momentum, particularly in export markets following tariffs imposed by the US on China-origin imports of sustainable materials; optimism is reflected in launch of thematic funds in 2023
	India-nuanced AI tooling	India-focused tooling, particularly in vernacular language model building and training, is expected to attract funding; vertical applications in sectors like healthcare and education, with latent demand and a lack of India-tailored solutions, are anticipated to drive interest
	Skilling and education services	Indian start-ups are well positioned to address critical gaps in vocational skilling for the vast domestic semi-skilled workforce, leveraging the extant foundation in edtech—recent funding of start-ups like Virohan indicates positive outlook of investors in the theme

Notes: IPO = Initial Public Offering
Sources: Bain & Company

… and over a longer, multiyear horizon, India's robust fundamentals will continue to fuel optimism among global investors

1

Significant consumption headroom

Domestic consumption is expected to grow—by 2030, doubling of per capita incomes (from ~$2.5K to ~$5.5K) and workforce expansion (~0.9B to 1-1.1B) are forecasted

2

Fiscal and monetary discipline

Spending discipline demonstrated by India in recent history is expected to continue, with the government targeting fiscal deficit reduction to 4.5% by FY 2026 and keeping inflation below 4%[1] ceiling

3

Catalytic policy and regulatory framework

Critical sectoral transformations have been enabled by supportive policies—e.g., PLI 2.0, unlocking PPP in aerospace and defense, and cross-border expansion of PM Gati Shakti

4

Resilient and expansive digital backbone

Ongoing broadening and deepening of interoperable digital infrastructure (UPI, Aadhaar, eKYC etc.) to catalyze venture creation and product innovation

5

Persistent "China + 1" tailwinds

Amidst mounting US-China trade tensions and China's economic challenges, India remains a compelling option for global firms seeking to diversify their supply chains beyond China

1) Inflation target in India is an ongoing target which is kept at 4% with a tolerance band of 2%; this target has been approved till March 2026
Notes: UPI = unified payments interface; PPP = private public partnership; eKYC = electronic know your customer; Production-linked incentive (PLI) is an initiative to scale up domestic manufacturing capability, accompanied by higher import substitution and employment generation
Sources: Bain & Company; Reserve Bank of India

Glossary

Definition: Classing of venture capital (VC) investments

Geography

Headquartered in India

OR

Majority workforce in India

VC/Growth fund classification

Deal type

Deal where a VC or a growth fund is among the lead investors

OR

Deal where the target firm is in “tech” domains

Sources: Bain & Company

Investment deal stages used in the report

Classification based on deal size

1 **Small ticket size**

Deal value less than **$10M**

2 **Medium ticket size**

Deal value between **$10M and $50M**

3 **Medium-large ticket size**

Deal value between **$50M and $100M**

4 **Large ticket size/megadeals**

Deal value higher than **$100M**

Classification based on deal series*

Seed — Initial financing for a new enterprise that is in the earliest stages of development

Series A/B — Early-stage round of financing by a VC** firm in a company

Series C & above — Includes late-stage financing by a VC** firm into a company from Series D to Series Z+

*As classified by Pitchbook; ** Defined as an investor that specializes in financing new businesses or turnaround ventures that usually combine risk with the potential for high return
Notes: VC = venture capital
Sources: Pitchbook

Select terms used in the report

Industry classification	**Agritech**	Tech innovations in agriculture, horticulture, and aquaculture aimed at improving yield, efficiency, and profitability
	B2B commerce	Logistics and end-to-end supply chain solution providers (warehousing, inventory management, etc.) for B2B
	BFSI (banking, financial services, and insurance)	Companies that provide banking, financial services and insurance products; includes commercial banks, cooperatives, nonbanking financial companies
	Climatetech	Tech innovations that mitigate climate change and enable decarbonization of the global economy
	Consumer technology	B2C or consumer internet products and services, including B2C commerce, edtech, online food delivery, gaming, healthtech, and other similar segments
	Electric mobility	Ecosystem including auto OEM (original equipment manufacturer), MaaS (mobility as a service), BaaS (battery as a service), charging provider, etc.
	Fintech	Financial services companies leveraging technology, including payment providers, lending solution providers, neobanks, and other similar players
	Generative AI	Companies using or building generative AI capabilities for their core offerings, including generative AI infrastructure (building and training models), and generative AI apps
	SaaS (software as a service)	B2B software delivered on cloud as a service, including horizontal business software, vertical business software, and horizontal infrastructure software
Other terms	**Crossover funds**	Investment fund that invests in publicly traded and privately held companies
	CVC (corporate venture capital)	Investment of corporate funds directly in external start-up companies
	D2C (direct to consumer)	Selling products directly to customers, bypassing third-party retailers, wholesalers, or any other intermediaries
	Deep-tech	Technology based on tangible engineering innovation or scientific advances and discoveries (e.g., vision and speech algorithms, AI/ML, blockchain, biotech)
	Dry powder	Amount of committed but unallocated capital with VC and PE firms for deployment when attractive investment opportunity arises or to ease financial distress
	FAME	Faster adoption and manufacturing of hybrid and electric vehicles is a subsidy scheme focused on electrification of public and shared transportation
	FO (family offices)	Private wealth management advisory firm that serves ultra-high-net-worth individuals (HNWI)
	Leading investors	Investors leading on deal value (with $1B+ deal value and 35+ deals in last five years) or deal volume (with 50+ deals and $500M+ deal value in last five years)
	PLI (production-linked incentive)	Scheme that gives companies incentives on incremental sales of products manufactured in domestic units (e.g., scheme for automobile and auto components)
	PPP (public private partnerships)	Collaboration between government and private companies that is used to finance, build, and operate large-scale projects (e.g., transportation network, parks)
	RMG (real-money gaming)	Business structure where users play games for real money with the hope of winning more than they initially invested
	UPI (unified payments interface)	Combines multiple banking services, smooth fund routing, and merchant payments into a single mobile app that can be used by any bank that participates

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