



STATE OF INDIA'S STARTUP ECOSYSTEM

JULY 2022

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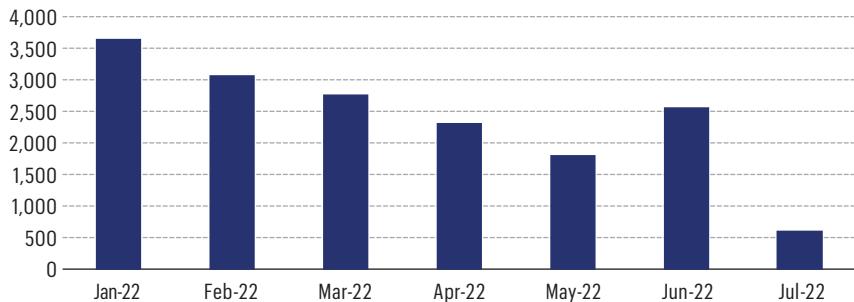
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State of startup funding during 2022

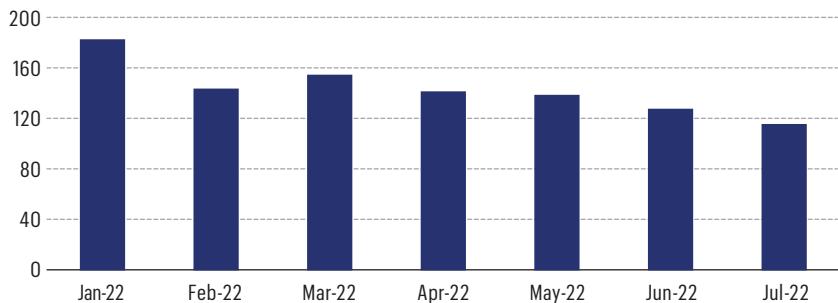
July saw a month-on-month (MoM) decline of 65.9% in funding compared to June 2022



Source: YourStory Research
Note: Values are in \$ million



At 116, July witnessed the lowest monthly deal volume in 2022 after 128 funding deals in June



Source: YourStory Research
Note: Values are total number of deals

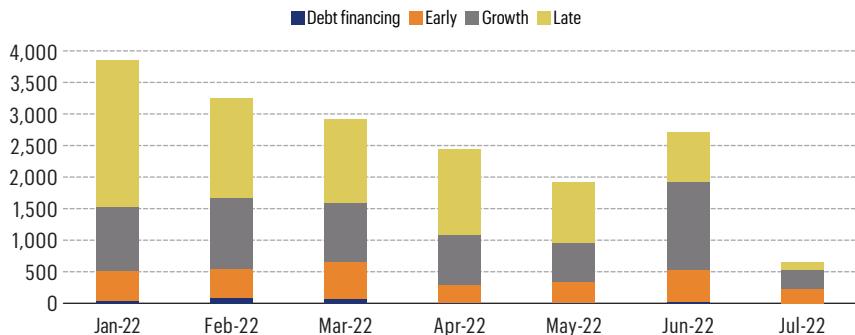


ACCORDING TO YourStory Research, during July 2022, the Indian startup ecosystem witnessed funding worth \$652.7 million across 116 deals. In absolute terms, this was an annual decline of 89.8% in value and 27% decline in volume, compared to \$6.4 billion invested over 159 deals in July last year.

In fact, July also happens to endorse the much talked about funding winter in the startup ecosystem in the seven months of 2022, until July 29. At \$652.7 million, July recorded the lowest monthly funding in 2022, compared to \$1.9 billion funding in May. January saw the highest funding of \$3.9 billion this year, and the July numbers recorded an absolute decline of 83%. And as compared to May's \$1.9 billion—the lowest monthly funding between January and June 2022—the absolute decline stands at 65.9%.

Decoding funding stages in July 2022

July saw MoM decline in the range of 54.7% to 85.6% across funding stages in comparison to June 2022

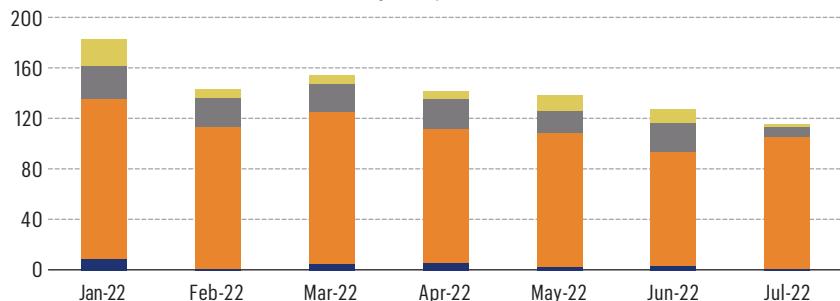


Source: YourStory Research
Note: Values are in \$ million



105 early-stage deals in July better than June's 90, with value decline of 54.7%

■ Debt financing ■ Early ■ Growth ■ Late



Source: YourStory Research
Note: Values are total number of deals



THE WASHOUT SEEN in the Indian startup funding during July 2022 can be felt across the stages. Debt financing saw a single deal worth \$6.3 million last month, which is the year's lowest after April saw \$13.6 million being raised across 6 deals. While July's 105 early-stage deals were better in volume terms, in comparison to June's 90 deals, at \$226.4 million, they are lower by 21.4% when compared to \$287.8 million—the lowest monthly fundraise in the stage until June.

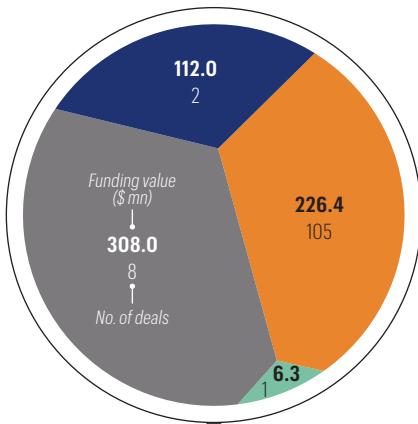
Similarly, having hit the new monthly lows in July, growth-stage deals and late-stage deals worth \$308 million were down 50.4% and 85% each compared to their previous monthly lows of \$620.6 (May) and \$778 million (June), respectively.

On a month-on-month basis, July registered absolute value decline of 81.8%, 54.7%, 78%, and 85.6% in debt financing, early-stage, growth-stage, and late-stage deals, respectively, in comparison to June's fundraise of \$34.9 million, \$500.3 million, \$1.4 billion, and \$778 million in the respective stages.

Decoding funding stages: July 2022 vs. July 2021

At \$226.4 million, early-stage deals in July 2022 down 50.1% compared to \$453.5 million in July last year

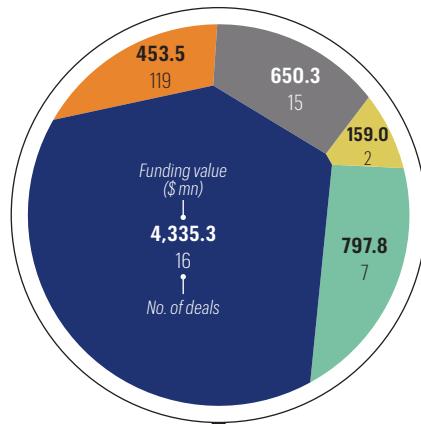
■ Debt Financing ■ Equity and debt ■ Early ■ Growth ■ Late



July-2022



Source: YourStory Research



July-2021

THE \$652.7 MILLION raised by Indian startups during July—lowest during the current calendar year—saw early-stage deals totaling to \$226.4 million, accounting for 34.7% of the value and 105 deals in the stage accounted for 90.5% of the total volume. While growth-stage deals totaling to \$308 million accounted for 47.2% of the total monthly fundraise, the 8 deals in the stage accounted for 6.9% of the volume.

With \$112 million, the two deals in the late stage accounted for 1.7% of the total volume and 17.2% of the total value.

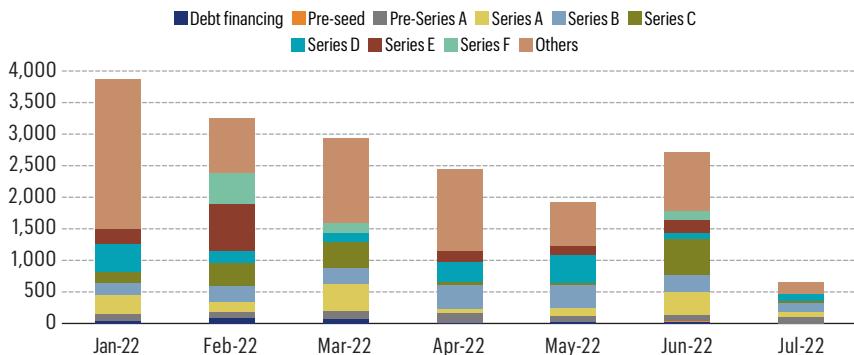
In contrast, in July 2021, with 16 deals worth over \$4.3 billion, the late-stage had the lion's share of 67.8%, followed by \$797.8 raised by startups across 7 debt financing deals

accounting for 12.5% of the total monthly fund raised. The third spot belonged to 15 growth-stage deals, which raised \$650.3 million (10.1%), while 119 early-stage deals accounted for 7.1% of the total with \$453.5 million worth of fundraising.

While July 2022 has seen halving of early-stage (-49.9%) and growth-stage (-47.4%), the washout has been seen in growth stage deals where \$112 million raised in the late stage this year are just 2.6% of over \$4.3 billion raised in July last year. The maximum decline is seen in debt financing deals worth \$6.3 million in July this year—0.8% of \$797.8 million garnered during July last year.

Decoding funding rounds in July 2022

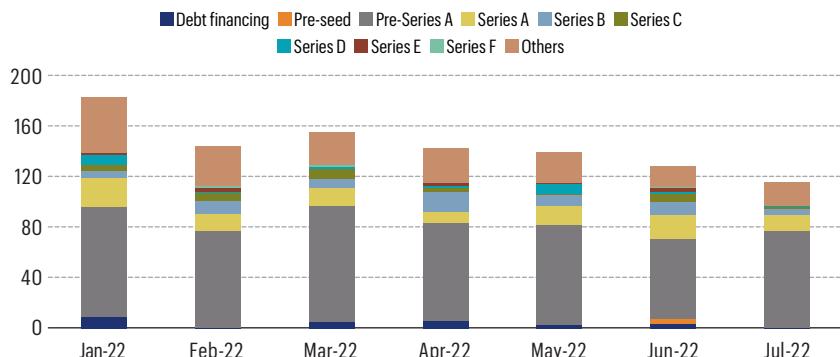
Pre-Series A deals worth \$99 million in July 2022 are relatively better than \$90.8 million raised in February



Source: YourStory Research
Note: Values are in \$ million



The 76 Pre-Series A deals in July are better than June's 63 deals, though there is 8.9% decline in funded value



Source: YourStory Research
Note: Values are total number of deals



WHEN SEEN FROM the lens of funding round, the otherwise washed-out July looks a little less painful. The 76 Pre-Series A deals, worth \$99 million in July, are relatively better than \$90.8 million raised across the same deal count of 76 in February.

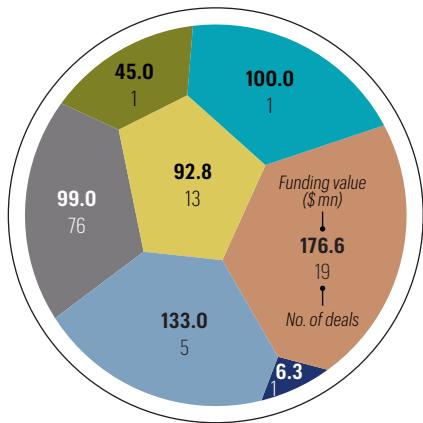
Also, \$92.8 million across 13 Series A deals is better than April's \$61.9 million raised across 8 deals. However, the \$133 million raised over 5 Series B deals was the newest monthly low for the round in 2022 after \$193 million raised across 6 deals in January. In subsequent stages, Series C (\$45 million) and Series D (\$100 million) were relatively better than \$40 million (May) and \$97 million (June).

When it came to unspecified rounds, July's 19 deals worth \$176.6 million were down by over 74.4% compared to the previous year-to-date low of \$691.4 million with over 24 deals in the month of May.

Decoding funding rounds: July 2022 vs. July 2021

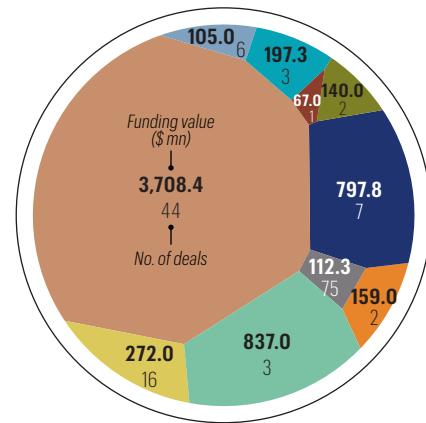
At \$226.4 million, early-stage deals in July 2022 are down 50.1% compared to \$453.5 million in July last year

■ Debt financing ■ Equity and debt ■ Pre-Series A ■ Series A ■ Series B ■ Series C
 ■ Series D ■ Series E ■ Series F ■ Others



July-2022

Source: YourStory Research



July-2021



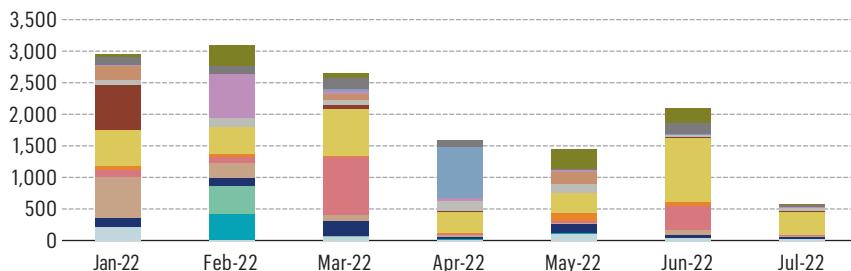
IN COMPARISON to \$904 million raised in Series E (\$67 million) and Series F (\$837 million) during July 2021, this July there were no deals in the respective series. But the washout was not due to these later series only, because Series B (\$133 million; 5 deals) was the only exception, which saw an absolute annual growth of 26.7% compared to \$105 million over 6 deals in July last year.

In other round types, the washout was glaringly visible as debt financing, Pre-Series A, Series A, Series C, and Series D, saw an annual decline of 99.2%, 11.8%, 67.9%, and 49.3%, respectively. In comparison to 44 unspecified deals worth over \$ 3.7 billion in July last year, there were just 19 deals in the category worth \$176.6 million—an annual decline of 95.2%.

Decoding top 15 sectors in July 2022

In July, 8 of the top 15 sectors saw an average decline of 72.7% in MoM funding value compared to June

■ Agritech ■ Artificial intelligence ■ Blockchain ■ D2C brands ■ Ecommerce ■ Edtech and education services
 ■ Electric vehicles ■ Fintech and financial services ■ Foodtech ■ Healthtech and healthcare services ■ Hyperlocal
 ■ Logistics and supply chain ■ Media and entertainment ■ SaaS ■ Social network

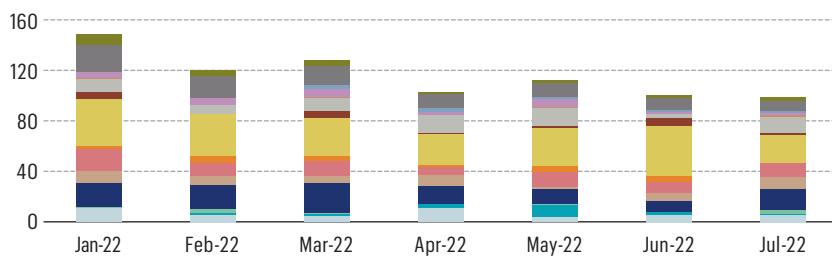


Source: YourStory Research
Note: Values are in \$ million



July saw 9 of the top 15 sectors registering increase or no change in deal volume compared to June

■ Agritech ■ Artificial intelligence ■ Blockchain ■ D2C brands ■ Ecommerce ■ Edtech and education services
 ■ Electric vehicles ■ Fintech and financial services ■ Foodtech ■ Healthtech and healthcare services ■ Hyperlocal
 ■ Logistics and supply chain ■ Media and entertainment ■ SaaS ■ Social network



Source: YourStory Research
Note: Values are total number of deals



DURING JANUARY-JULY 2022, out of the \$17.7 billion raised by startups across 1,007 deals, the top 15 sectors raised \$14.4 billion—accounting for 81% of the total fund raise across 709 deals, which works out to 70.4% of the deal volume.

The fintech and financial services sector, which has cumulatively raised nearly \$3.8 billion during January-July 2022, and accounted for 21.2% of the total fundraise, saw \$367 million being raised across 19 deals in July, which was better than \$305 million raised across 26 deals in the sector in May. However, in cumulative terms, July saw a decline of 63.7% compared to June's \$1.01 billion raised across 35 deals.

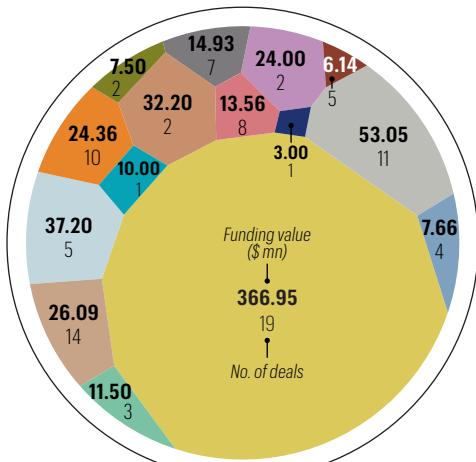
Edtech, which happens to be the second-largest sector with \$1.6 billion worth of fundraising till July 2022, saw 10 deals worth \$24.4 million in July, the lowest to replace April's \$29.9 million (5 deals).

Ecommerce, the third-largest sector with a cumulative fundraise of \$1.07 billion until July 2022, saw 8 deals worth \$13.6 million in July, which happens to be better than a single deal of \$3 million in May.

Decoding top 15 sectors: July 2022 vs. July 2021

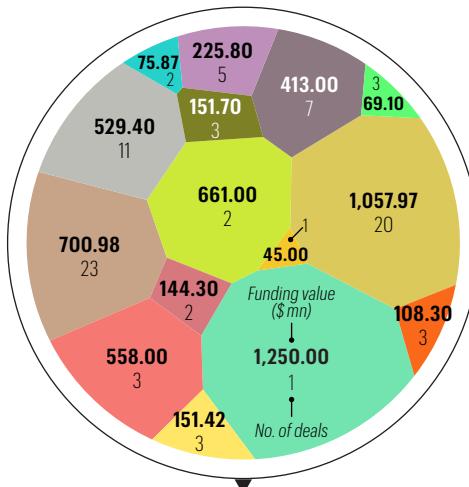
While six sectors which are common in the top 15, fintech, healthtech, and agritech have seen annual funding value decline of 65.3%, 89.9%, and 11.3%

■ Agritech ■ Biotech ■ Consumer services ■ Cryptocurrency ■ D2C brands
■ Ecommerce ■ Edtech and education services ■ Fintech and financial services
■ Food and beverages ■ Healthtech and healthcare services ■ IOT
■ Logistics and supply chain ■ Proptech ■ SaaS ■ Social network



July-2022

■ Automotive ■ D2C brands ■ Ecommerce ■ Fintech and financial services
■ Fitness ■ Foodtech ■ Gaming ■ Healthtech and healthcare services
■ Hospitality ■ Lifestyle ■ Logistics and supply chain
■ Media and entertainment ■ Professional services ■ Social network ■ Travel



July-2021

Source: YourStory Research

FINTECH'S 19 DEALS worth \$366.9 million accounted for 56.2% of the total fundraise in July. But compared to last July's \$1.06 billion (20 deals), fintech saw a year-on-year (YoY) decline of 65.3% this July.

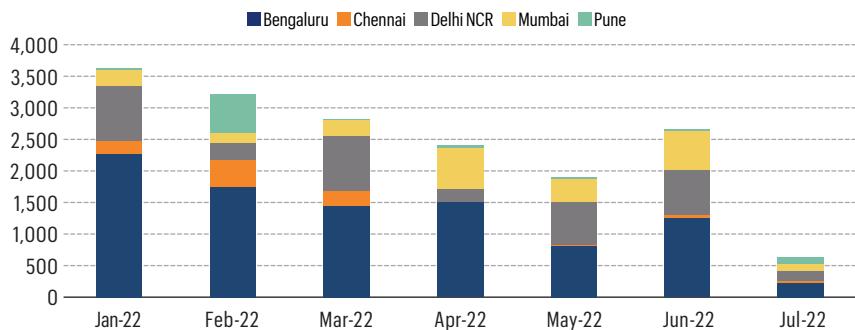
With 11 deals worth \$53.1 million, healthtech holds the number two spot this year accounting for 8.1% of the monthly fundraise. While the sector failed to hold a spot in

top five sectors in July 2021, the YoY decline of 89.9% steals the joy of the sector being in the top 5 this July.

Agritech, with 5 deals worth \$37.2 million in total, took the third spot in July with 5.7% share of the month's total fundraise and made it to the top 5 from the 11th spot in July last year. But compared to 7 deals totaling to \$41.9 million in July last year, this July the sector registered a decline of 11.9%.

Decoding top 5 cities in July 2022

July saw a MoM decline of 81.9%, 79.5%, and 82.2% in funding values for Bengaluru, Delhi NCR, and Mumbai



Source: YourStory Research

Note: Values are in \$ million

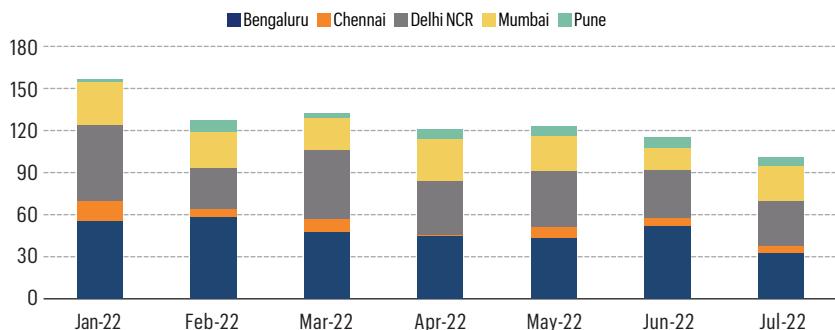
WHILE THE 1,007 DEALS of January-July 2022, worth over \$17.7 billion, involve startups housed in 38 cities, startups from top 5 cities—Bengaluru, Chennai, Delhi NCR, Mumbai, and Pune, accounted for over 97.1% of the total fundraise having raised \$17.2 billion across 875 deals (86.9% of the 1,007 deals).

Startups hailing from Bengaluru—the number uno city—have raised a cumulative \$9.3 billion—accounting for 53.7% of the seven months' total—across 337 deals, which work out to 33.5% of the total deal count of 1,007 investments.

However, the July washout is mirrored in the fundraise numbers as \$228.4 million—now the lowest in 2022—raised by Bengaluru-based startups are down 71.7% compared to the previous lowest of \$808.9 million (44 deals) in May. In comparison to \$2.3 billion (56 deals) in January, the July decline is 89.9%.

Delhi NCR and Mumbai, which saw 32 and 25 deals each in July, have registered cumulative investment totals of nearly \$3.8 billion and \$2.4 billion each during the seven months of 2022, accounting for 21.1% and 13.6% of the total fundraise. The July fund raise of \$147.8 million and \$111.3 million each by Delhi NCR and Mumbai-based startups are the lowest in 2022, down by half of the previous lows.

Compared to June, Mumbai registered a 56.3% increase in deal count, while Bengaluru and Delhi NCR saw dip of 36.5% and 5.9%

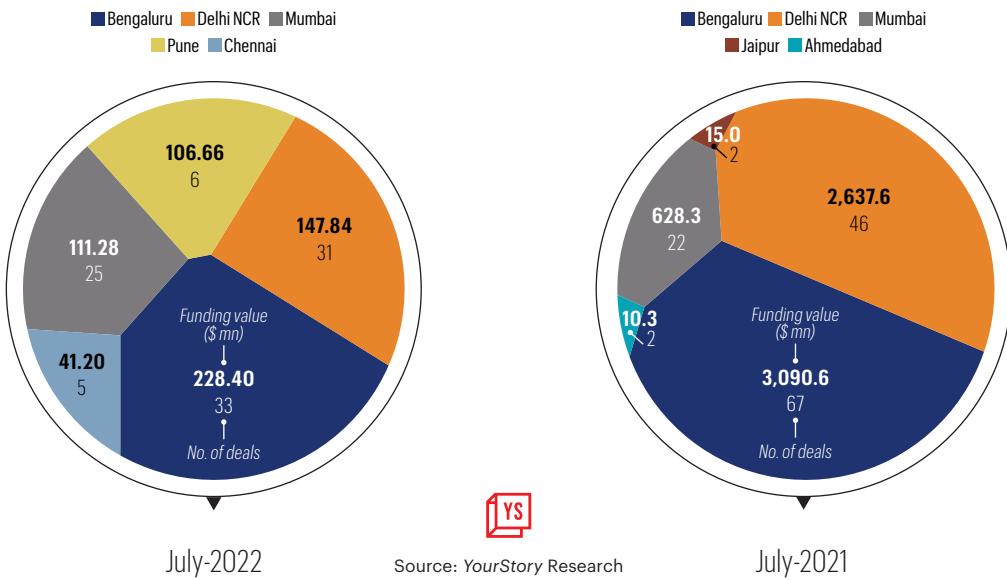


Source: YourStory Research

Note: Values are total number of deals

Decoding top 5 cities: July 2022 vs. July 2021

Compared to July last year, Bengaluru, Delhi NCR, and Mumbai saw deal values decline by 92.6%, 94.4%, and 82.3%, while Pune and Chennai saw multi-fold increase



Source: YourStory Research



WHILE THE PECKING order of the top cities housing funded startups see changes beyond the top three, the changes beyond are usually interesting.

Take the case of Pune and Chennai in July this year. Compared to July 2021's \$2.8 million across 4 deals, this July the 6 deals in Pune saw a 38.8X increase to \$106.7 million at No. 3 from No. 7 last year.

Similarly, Chennai moved from No. 6 last year to No. 5 this year, with a 4.8X increase in deal value from \$8.6 million (5 deals) to \$41.2 million (5 deals)

this July.

On the other hand, Bengaluru, Delhi NCR, and Mumbai mirrored the July washout with respective annual decline of 92.6%, 94.4%, and 82.3% at \$228.4 million (33 deals), \$147.8 million (31 deals), and \$111.3 million (25 deals).

In July last year, these top three cities reported respective funding of \$3.1 billion (67 deals), \$2.6 billion (46 deals), and \$628.3 million (22 deals) respectively.

The top 25 deals of July 2022

Startup name	City	Startup's founding year	Sector	Amount (\$ mn)	Funding round	Investors' Name
FPL Technologies	Pune	2019	Fintech and financial services	100.0	Series D	Temasek, QED, Sequoia Capital, Hummingbird Ventures
InsuranceDekho	Delhi NCR	2019	Fintech and financial services	100.0	Undisclosed	Undisclosed
Jai Kisan	Mumbai	2017	Fintech and financial services	50.0	Series B	GMO Venture Partners, Yara Growth Ventures, DG Daiwa Ventures, Blume, Arkam Ventures, Mirae Asset, Snow Leopard Ventures, Northern Arc, Alteria, MAS Financial
Fi.Money	Bengaluru	2019	Fintech and financial services	45.0	Series C	Alpha Wave Ventures
NiYO Solutions	Bengaluru	2015	Fintech and financial services	30.0	Undisclosed	Multiples Alternate Asset Management Private Limited
DeTect Technologies	Chennai	2013	IoT	28.0	Series B	Prosus Ventures, Accel, Elevation Capital, Shell Ventures, Bharat Innovation Fund, Bluehill Capital
Vegrow	Bengaluru	2020	Agritech	25.0	Series B	Prosus Ventures, Matrix Partners India, Elevation Capital, Lightspeed India, Ankur Capital
Wysa	Bengaluru	2015	Healthtech and healthcare services	20.0	Series B	HealthQuad, British International Investment, W Health Ventures, Kae Capital, Google Assistant Investments, pi Ventures
Eka.Care	Bengaluru	2020	Healthtech and healthcare services	15.0	Series A	Hummingbird Ventures, 3one4 Capital, Mirae Assets, Verlinvest, Aditya Birla Ventures, Binny Bansal, Rohit MA
Fitterfly	Mumbai	2016	Healthtech and healthcare services	12.0	Series A	Amazon SMBHAV Venture Fund, Fireside Ventures
ShadowFax	Bengaluru	2015	Logistics and supply chain	12.0	Undisclosed	Flipkart, Trifecta Venture, Qualcomm
Wheelocity	Chennai	2021	Logistics and supply chain	12.0	Series A	Lightspeed India Partners, Anicut Capital
FAARMS	Bengaluru	2020	Agritech	10.0	Undisclosed	Cornelius (Conny) Boersch, Koh Boon Hwee, Apoorva Ranjan Sharma, Venture Catalysts, 9 Unicorns, Ramit Mittal

Contd.

Startup name	City	Startup's founding year	Sector	Amount (\$ mn)	Funding round	Investors' Name
MarketWolf	Mumbai	2017	Fintech and financial services	10.0	Series A	Jungle Ventures, Dream Capital, 9Unicorns, iSeed, Crescent, Riverwalk
String Bio	Bengaluru	2016	Biotech	10.0	Series B	Ankur Capital, Dare Ventures, Redstart, Zenfold Ventures, Woodside Energy
Hyperface	Bengaluru	2021	Fintech and financial services	9.0	Pre-Series A	3one4Capital, Global Founders Capital, Better Capital, Flipkart Ventures, Groww, Rebalance Angel Community
AntWalk	Bengaluru	2019	Edtech and education services	7.5	Series A	GSV, Y Combinator, Matrix Partners India
Creative Galileo	Mumbai	2020	Edtech and education services	7.5	Series A	Kalaari Capital, Affirma Capital, East Ventures, Valiant Employee Investment Fund
DrinkPrime	Bengaluru	2016	Consumer services	7.5	Undisclosed	Omidyar Network India, Sequoia Surge, 9Unicorns, Northern Arc Capital, Unitus Capital, Aureolis Ventures, Kwaish Ventures, ZNL Growth Fund
Acefour Accessories	Mumbai	2021	D2C brands	7.0	Pre-Series A	Sixth Sense Ventures, Volrado Venture Partners
Mokobara	Bengaluru	2019	D2C brands	6.5	Series A	Saama Capital, Sauce VC, Varun Alagh, Ashish Goel, Ramakant Sharma, Raul Rai, Chona Family Office, Deepika Padukone, Alteria Capital, Panthera Peak Ventures, Good Capital
SuperShare	Bengaluru	2016	Social network	6.5	Series A	Lachy Groom, Accel India, Lightspeed, Tanmay Bhat, MythPat
Lendingkart	Ahmedabad	2014	Fintech and financial services	6.3	Debt financing	Triodos Investment Management
Lal10	Delhi NCR	2016	Ecommerce	5.5	Undisclosed	Yuj Ventures, Beyond Capital Ventures, Spiral Ventures, Singularity Ventures, Asymmetry Ventures, Blacksoil, Panthera Peak, Pegasus FinInvest, Nitish Mittersain, Bikky Khosla, Ashok Gudibandla, Kishore Ganji, Bob Noyen, Reasoned Ventures, Insaan Group
The baker's dozen	Mumbai	2013	D2C brands	5.0	Undisclosed	Fireside Ventures



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Analysts: Naga Nagaraju, Ekta Desai
Research Director: Rajiv Bhuva

Head of Design (Research): Chetan Singh
Edited by: Megha Reddy
Website: <https://research.yourstory.com>
Email: research@yourstory.com

