

STATE OF INDIA'S STARTUP ECOSYSTEM



October
2022

State of India's startup ecosystem — October 2022

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At 91 deals, the deal count in October is the lowest after 116 deals in July

04 Decoding funding stages

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72 early-stage deals in October are the lowest after 90 early-stage deals in June

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The 49 pre-Series A deals in October are the lowest after June's 63 deals, while Series B, C, and E saw just two deals each

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At \$60.0 million, Series C deals in October 2022 are down 88.5% compared to \$523.0 million in October last year

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Compared to September, October saw 11 of the top 15 sectors registering a decline in deal volume

09 Decoding top 15 sectors: October 2022 vs. October 2021

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Compared to October last year, Bengaluru, Delhi-NCR, and Mumbai-based startups saw deal values decline by 71.2%, 34.1%, and 94.3%, while Pune saw over six-fold increase in deal value

12 Top 25 deals of October 2022

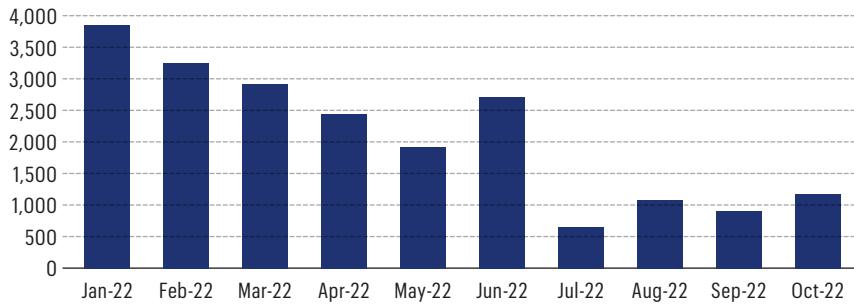
October saw seven deals above \$50 million, and three deals in the \$25-50 million range, while the average value of the top 25 deals stood at \$42.8 million

14 M&A deals of October 2022

October 2022 saw a total of 13 merger and acquisition deals in the startup ecosystem, with seven deals in the edtech space accounting for 53.8% of the total.

State of startup funding in October 2022

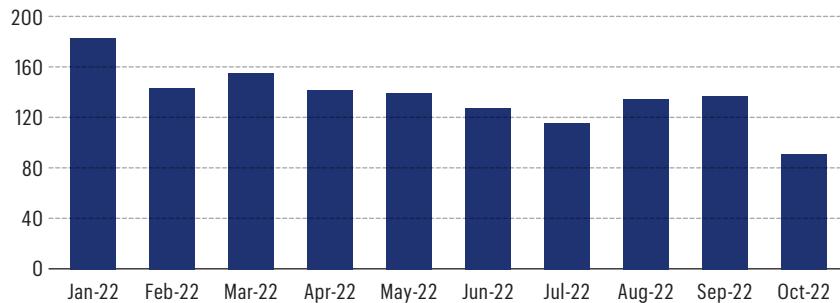
October saw a month-on-month (MoM) increase of 30.8% in funding compared to September 2022



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



At 91 deals, the deal count in October is the lowest after 116 deals in July



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

THE INDIAN STARTUP ecosystem saw funding worth \$1.18 billion across 91 deals during October 2022.

In absolute terms, October witnessed an annual decline of over 65.9% in value terms, and 38.9% decline in volume in comparison to \$3.48 billion invested over 149 deals in the same period last year.

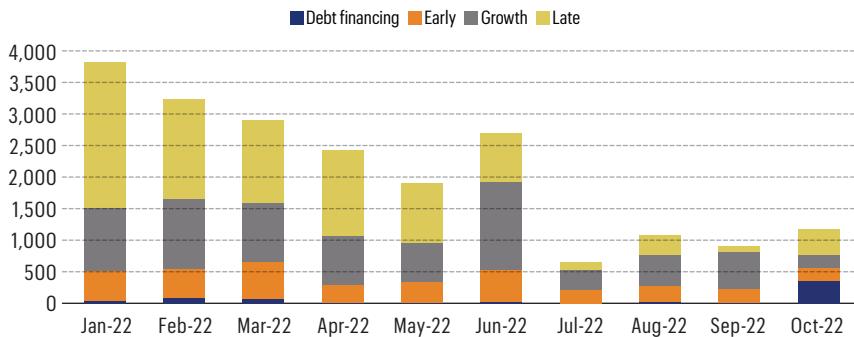
The latest month saw a month-on-month (MoM) increase of 30.8% in funding value in comparison to \$905.2 million raised, across 137 deals, during September 2022. The MoM increase in October's total funding is primarily backed by an 87.4X jump in the value of debt financing which stood at 358.3 million, compared to \$4.1 million in September. The year-on-year (YoY) growth in debt financing was close to 24X in comparison \$15.0 million raised across 2 deals in October last year.

Apart from burgeoning leverage, October saw a total of 91 deals—the lowest monthly volume in 2022—which was 33.6% MoM decline compared to 137 deals during September, and also stood lower by 50.3% compared to 183 deals—the highest during 2022—in January.



Decoding funding stages

Baring the 8,638.3% and 410.6% MoM increase in debt financing and late-stage, October saw average MoM decline of 37.7% across all early and growth-stage

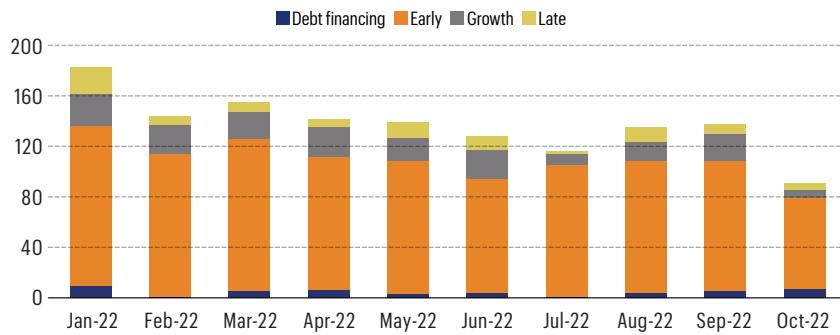


Source: YourStory Research

Note: Values are in \$ million



72 early-stage deals in October are the lowest after 90 early-stage deals in June



Source: YourStory Research

Note: Values are total number of deals



THE MONTHLY INCREASE in October was cushioned by the 8,638.3% monthly increase in debt financing of \$358.3 million, compared to \$4.1 million in September. On the other hand, early-stage, growth-stage, and late-stage funding values saw respective MoM declines of 10.2%, 65.2%, and 410.6%.

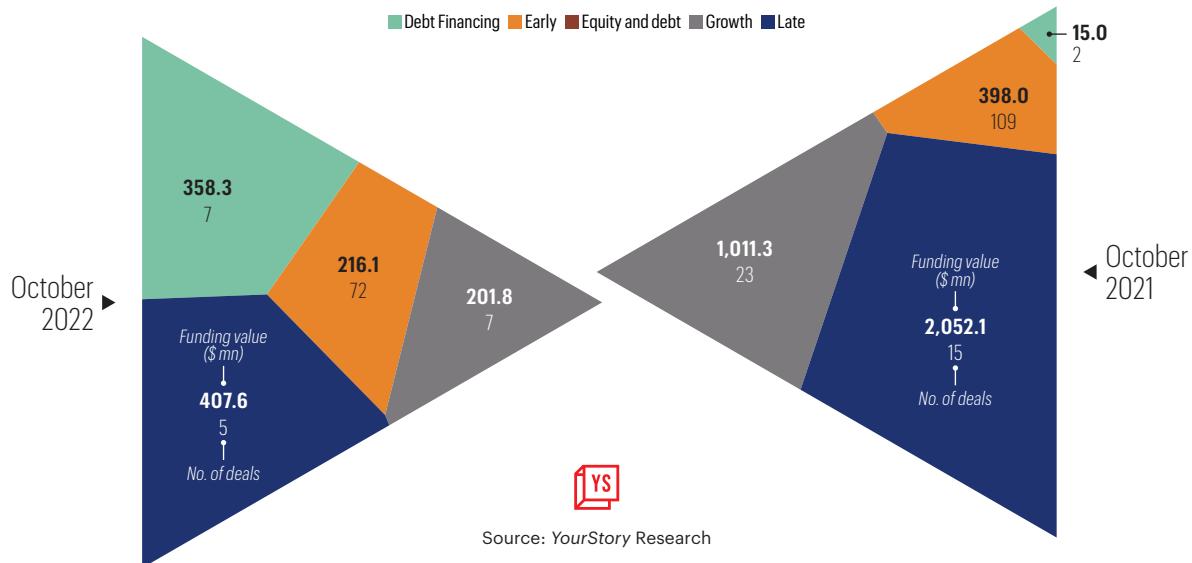
For debt financing, October displaced February (\$100.0 million: one deal) to become the month with highest funding in the stage. But, compared to the monthly highs during 2022, the respective stages have seen an average of over 77.0% during October.

For early-stages, with \$216.1 million raised through 72 deals, October saw a decline of 63.1% in value compared to March, which has been the best month of 2022 with \$585.3 million raised through 121 deals.

In case of growth-stage and late-stage too, the respective fundraise of \$201.8 million (seven deals) and \$407.6 million (five deals) during October are lower by 85.6% compared to \$1.4 billion (23 deals) in June and \$2.3 billion (21 deals) in January respectively.

Decoding funding stages: October 2022 vs. October 2021

At \$358.3 million, debt financing deals in October 2022 are up 2,288.5% compared to \$15 million in October last year



OUT OF THE \$1.18 BILLION raised during October, five late-stage deals worth \$407.6 million accounted for 34.4% of the monthly total. However, on an annual basis there was a 80.1% decline in fundraising compared to \$2.05 billion raised across 15 deals in October last year, and accounted for 59.0% of the monthly total.

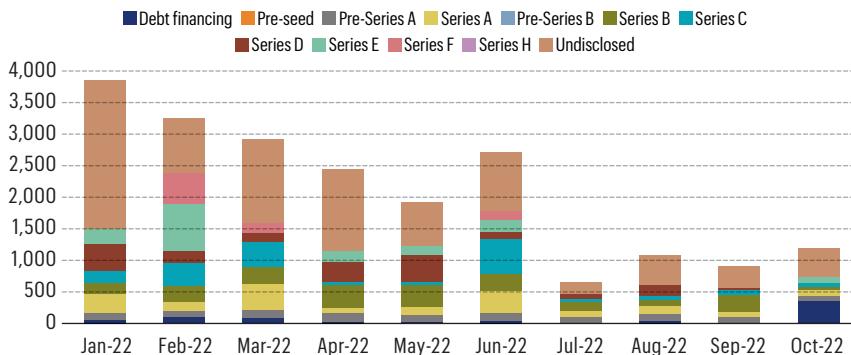
With 7 deals adding up to \$358.3 million, debt financing accounted for 30.3% of the monthly total, and registered a YoY growth of 2,288.5% in comparison to \$15.0 million raised across 2 deals, when debt financing accounted for 0.4% of the funding raised during October 2021.

While growth-stage deals worth \$201.8 million through 7 deals, accounted for 17.1% of the total funding during October 2022, there was a 80.0% YoY decline compared to 23 deals worth \$1.01 billion (29.1% of the total) in October last year.

The 72 early-stage deals totalling to \$216.1 million accounted for 18.3% of the monthly total. However, in comparison to \$398.0 million raised across 109 early-stage deals, there is a YoY decline of 45.7% during October 2022. Worries emanate from the fact that this October saw early-stage deals recording the lowest monthly fund raise and deal count through 2022.

Decoding funding rounds

Pre-series A, Series B, and Series C deals saw respective MoM fall of 28.1%, 84.9%, and 24.1% in October 2022, while Series A and undisclosed rounds grew 31.4% and 32.6% each



Source: YourStory Research

Note: Values are in \$ million

LOOKING AT DEALS from the perspective of funding rounds, apart from the stupendous growth in debt financing, only Series A and undisclosed rounds saw a monthly increase of 31.4% and 32.6%, at \$104.8 million and \$455.1 million, compared to \$79.7 million and \$343.2 million in September. Pre-series A, Series B, and Series C saw respective monthly declines of 28.1%, 84.9%, and 24.1% during October.

The funding round analysis provides a strong reason to reiterate the flagging by YourStory Research, that challenges for the startup ecosystem are on the rise. And the 30.3% MoM in October offers anything but respite, as 38.8% MoM decline in the Pre-series A deal count at 49. Compared to 80 deals in September is bad news, as the latest month has the lowest deal value and deal count for fund raising by early-stage startups.

From their respective monthly highs, all funding round types except debt financing have seen MoM declines in the range of 55.5% to 89.5%. Compared to \$161.2 million (78 deals) raised in April, Pre-series A saw a 55.5% fall in October to \$71.7 million. Similarly, Series A saw 74.4% fall from \$409.9 million (14 deals) in March to \$104.8 million (13 deals).

On similar lines, from \$375.8 million (16 deals) in April and \$442.6 million (seven deals) in May, Series B and Series C saw respective fall of 89.4% and 89.5% to \$39.7 million (two deals) and \$60.0 million (two deals) each in October 2022.

The 49 pre-Series A deals in October are the lowest after June's 63 deals, while Series B, C, and E saw just two deals each

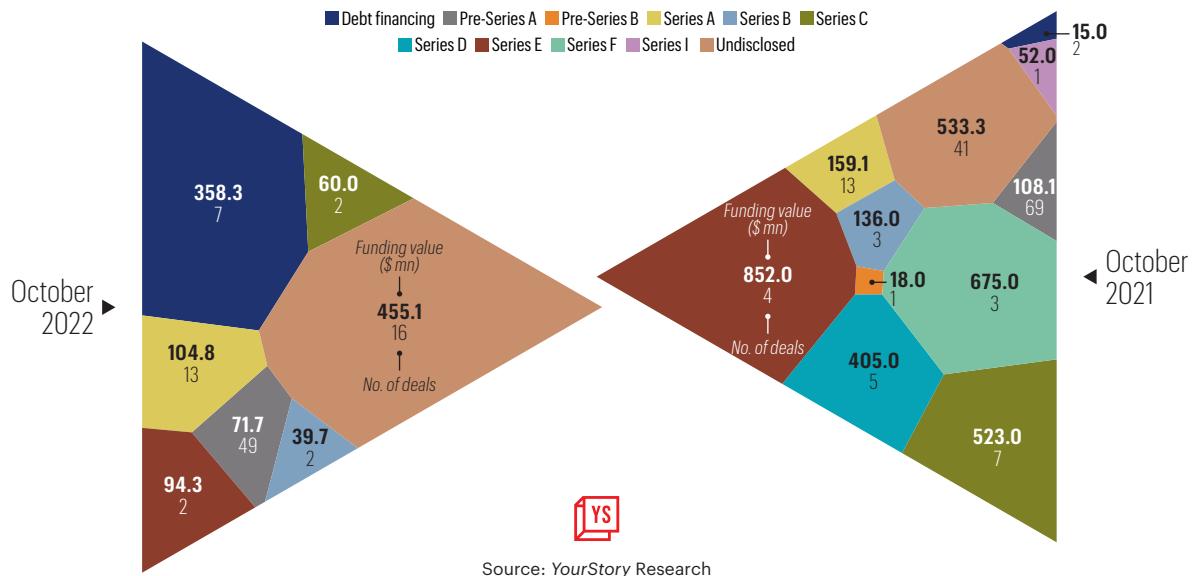


Source: YourStory Research

Note: Values are total number of deals

Decoding funding rounds: October 2022 vs. October 2021

At \$60.0 million, Series C deals in October 2022 are down 88.5% compared to \$523.0 million in October last year



AS SEEN IN FUNDING STAGES, all the funding round types, except debt financing, have seen YoY decline compared to October last year. Debt financing worth \$358.3 million (two deals), which accounted for 30.3% of the total funding during October, grew 2,288.5% on YoY basis compared to \$15.0 million raised across two deals in October last year.

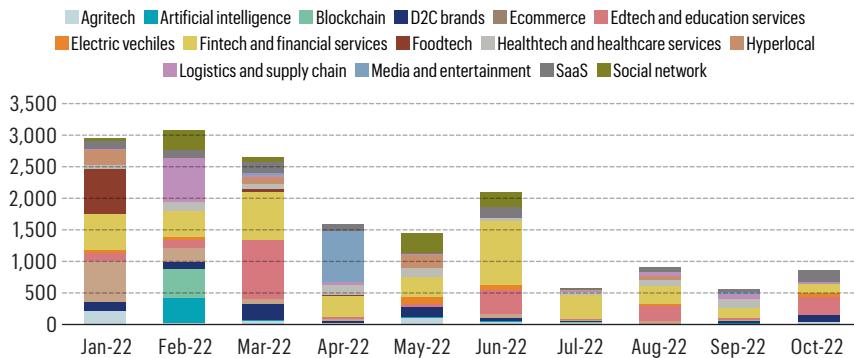
While 64 deals across Series B to Series I, including undisclosed rounds, accounted for 91.4% of the monthly funding raised during October last year, the comparative

statistic for this October is 22 deals which accounted for 54.8% of the \$1.18 billion raised during the latest month.

Pre-series A and Series A, with 62 deals, accounted for 14.9% of the month total in October 2022, while the two early-stage round types, with 82 deals, accounted for 7.7% of the total funds raised during October last year. The variance can be attributed to the fact that 20 deals across Series C to Series I saw cumulative fundraise of \$2.5 billion, or 72.1% of the total fundraising of \$3.48 billion raised in October last year.

Decoding top 15 sectors

In October, seven of the top 15 sectors saw an average decline of 76.7% in MoM funding value compared to September

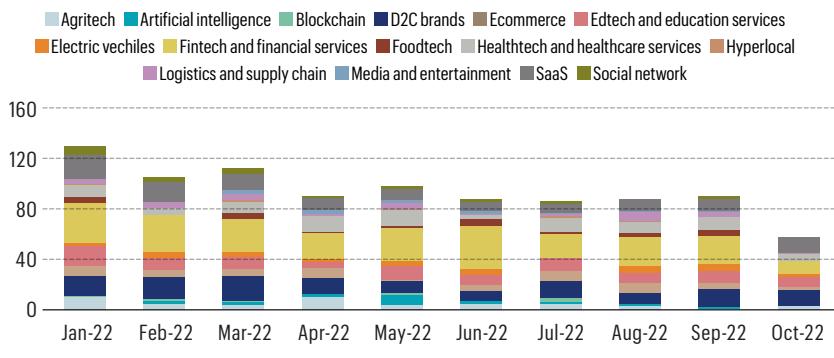


DURING JANUARY-OCTOBER 2022, out of the \$20.9 billion raised by startups across 1,370 deals, the top 15 sectors raised nearly \$16.7 billion—accounting for 79.9% of the total fund raise—across 944 deals which works out to 68.9% of the deal volume.

Edtech and educational services sector topped the monthly chart in October, accounting for 24.9% of the October total, with eight deals raising \$295.1 million, followed by a 15.6% share of software-as-a-service (SaaS) startups, which raised \$184.8 million across 12 deals, while fintech and financial services followed at number three with 12.0% share of the monthly total as 11 startups raised \$141.9 million.

Overall, during October 2022, the top five sectors accounted for close to 71.6% of the monthly total, while the top 10 accounted for 91.0%. In contrast, the top 5 and 10 sectors accounted for 81.5% and 94.6% of the monthly total of \$3.48 billion raised in October last year.

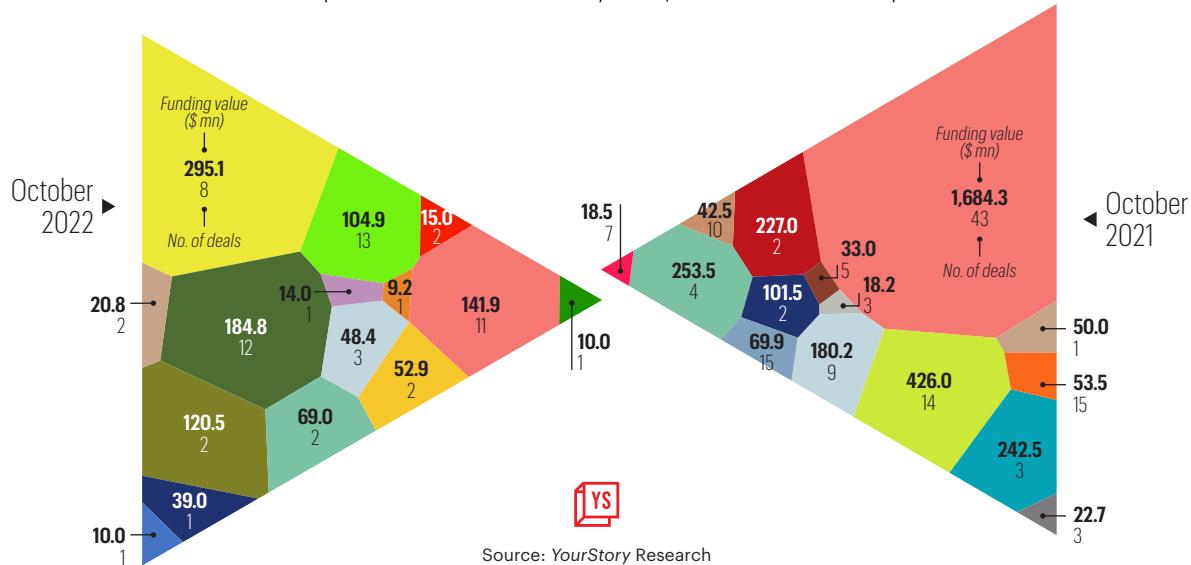
Compared to September, October saw 11 of the top 15 sectors registering a decline in deal volume



Decoding top 15 sectors: October 2022 vs. October 2021

While six sectors, which are common in the top 15, edtech, fintech, and agritech have seen annual funding value decline of 30.7%, 91.6% and 73.1%

Agritech Automotive Cleantech Cybersecurity D2C Brands Deeptech Ecommerce Edtech and education services Electric vehicles Enterprisotech
 Fashion Fintech and financial services Foodtech Healthtech and healthcare services Hospitality HRTech IT services Logistics and supply chain
 Marketplace Media & Entertainment Mobility Retail/consumer brand SaaS Transportation



Source: YourStory Research

OUT OF THE TOP 15 SECTORS in October this year and last year, edtech, fintech, automotive, agritech, logistics and supply chain, and cleantech are the common sectors.

Edtech's 8 deals worth \$295.1 million accounted for 24.9% of the total fundraise during October. Compared to \$426.0 million (14 deals) in October last year, this October saw a YoY decline of 30.7%.

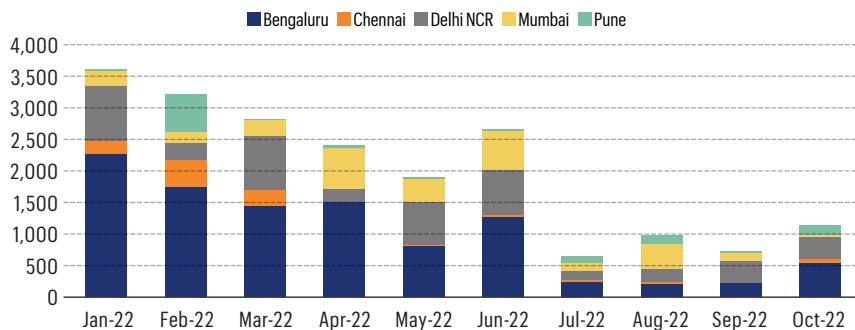
With 11 deals worth \$141.9 million, fintech accounted for 12.0% share of the total fund raise in October this year. How-

ever, in comparison to \$1.68 billion raised across 43 deals in October last year, this October saw a YoY decline of 91.6%.

On a similar note, startups in agritech (\$48.4 million: three deals), logistics and supply chain (\$39.0 million: one deal), and cleantech (\$20.8 million: two deals) recorded respective YoY decline of 73.1%, 61.6%, and 58.4% against \$180.2 million (nine deals), \$101.5 million (two deals), and \$50.0 million (one deal) raised during the same month last year.

Decoding top 5 cities

October saw a MoM increase of 726.0% and 547.9% in funding values for Chennai and Pune-based startups



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Note: Values are in \$ million

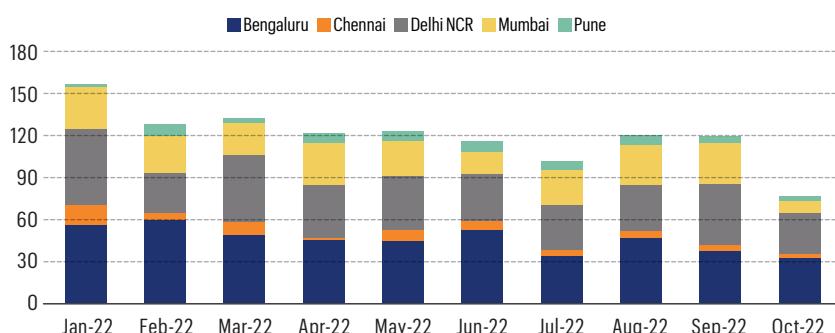


DURING JANUARY-OCTOBER 2022, the top 5 cities have reported total fundraising of \$20.0 billion across 1,190 deals. In comparison to the total fund raising of little over \$20.9 billion across 1,370 deals, the value and volume share of the top 5 cities works out to 96.0% and 86.9% respectively.

Bengaluru, is undoubtedly the number one city with fund raising of over \$10.2 billion (48.9% of the total fundraising) across 452 deals (33.0% of total number of deals). While Delhi-NCR and Mumbai follow with \$4.6 billion (22.2%) across 381 deals (27.8%) and close to \$3.0 billion (14.2%) across 242 deals (17.7%) respectively.

During October, Bengaluru - with \$545.3 million raised across 32 deals, had an absolute lead of 52.7%, 951.2%, and 1,395.5% each over Delhi-NCR (\$357.1 million; 29 deals), Chennai (\$51.6 million; three deals), and Mumbai (\$36.5 million; nine deals).

Compared to 29 in September, funding volume for Mumbai-based startups declined by 68.9% to 9 deals in October

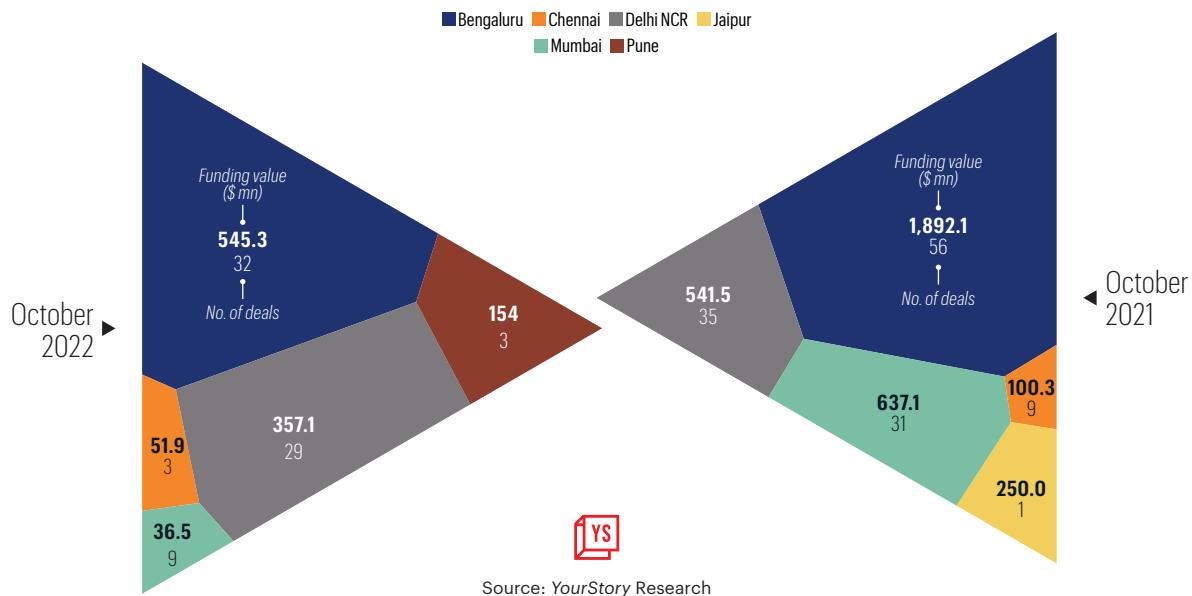


Source: YourStory Research
Note: Values are total number of deals



Decoding top 5 cities: October 2022 vs. October 2021

Compared to October last year, Bengaluru, Delhi-NCR, and Mumbai-based startups saw deal values decline by 71.2%, 34.1%, and 94.3%, while Pune saw over six-fold increase in deal value



DURING OCTOBER 2022, the top 5 cities raised \$1.14 billion, accounting for 96.7% of the total monthly fundraise of \$1.18 billion. In contrast, October 2021 saw the then top 5 cities raising \$3.42 billion, or 98.7%, of the \$3.47 billion during October 2021.

In October this year, while Bengaluru, Delhi-NCR, and Pune, respectively, accounted for 46.1%, 30.2%, and 13.0% of the monthly total, the 94.3% YoY decline in funding of

Mumbai-based startups compared to \$637.1 million (31 deals), caused its share of the monthly total funding dip to just 3.1%.

On YoY basis, at \$545.3 million (32 deals) Bengaluru saw a 71.2% decline compared to \$1.89 billion (56 deals) in October last year. Similarly, Delhi-NCR saw a 34.1% YoY decline from \$541.5 million (35 deals) in October last year to \$357.1 million (29 deals) in October this year.

The top 25 deals of October 2022

October saw seven deals above \$50 million, and three deals in the \$25-50 million range, while the average value of the top 25 deals stood at \$42.8 million

Startup name	City	Startup's founding year	Sector	Amount (\$ mn)	Funding round	Investors' Name
BYJU'S	Bengaluru	2011	Edtech and educational services	250.0	Undisclosed	Qatar Investment Authority
Icertis	Pune	2009	SaaS	150.0	Debt financing	Silicon Valley Bank
udaan	Bengaluru	2016	Marketplace	120.0	Debt financing	Undisclosed
Euler Motors	Delhi NCR	2018	Automotive	60.0	Series C	GIC Singapore, Blume Ventures, Athera Venture Partners, QRG Holdings, ADB Ventures, Moglix
boAt	Delhi NCR	2016	D2C Brand	60.0	Undisclosed	Warburg Pincus, Malabar Investments
Ather Energy	Bengaluru	2013	Electric vehicles	50.0	Series E	Caladium Investment, Herald Square Ventures
Northern Arc	Chennai	2008	Fintech and financial services	50.0	Debt financing	FMO
DeHaat	Delhi NCR	2012	Agritech	44.3	Series E	Lightrock India, Prosus Ventures, RTP Global, Sofina
Ecom Express	Delhi NCR	2012	Logistics and supply chain	39.0	Undisclosed	CDC Group, Partners Group, Warburg Pincus
Adda247	Delhi NCR	2010	Edtech and educational services	35.0	Series B	WestBridge Capital, Google, Info Edge, Asha Edu Tech, JM Financial
Kinara Capital	Bengaluru	2011	Fintech and financial services	24.3	Undisclosed	ASN Microkredietfonds, British International Investment, Nuveen Investments
Soothe Healthcare	Delhi NCR	2012	D2C Brand	21.2	Undisclosed	US International Development Finance Corporation (DFC), A91, Symphony, Sixth Sense Ventures, GII
SnapMint	Mumbai	2017	Fintech and financial services	21.0	Undisclosed	Undisclosed
Orb Energy	Bengaluru	2007	CleanTech	20.0	Debt financing	United States International Development Finance Corporation

Contd.

Startup name	City	Startup's founding year	Sector	Amount (\$ mn)	Funding round	Investors' Name
GlobalFair	Delhi NCR	2020	Fintech and financial services	20.0	Series A	Lightspeed Venture Partners, Saama Capital, India Quotient, AUM Ventures, Stride Ventures
Drivetrain AI	Bengaluru	2021	SaaS	15.0	Series A	Elevation Capital, Jungle Ventures, Venture Highway, Akshay Kothari, Amit Singh, Khadim Batti, Amit Sharma, Krish Subramanian, Karthik Srinivasan, Kushal Nahata
NONA Lifestyle	Delhi NCR	2016	Fashion	14.0	Pre-Series A	LC Nueva Investment Partners
Devtron	Delhi NCR	2019	IT services	12.0	Undisclosed	Insight Partners, Leo Capital
Good Health Clinic	Hyderabad	2019	D2C Brand	10.0	Series A	Left Lane Capital, Khosla Ventures, Quiet Capital, Weekend Fund
Isthara	Hyderabad	2017	Hospitality	10.0	Undisclosed	Eagle Investments
RevFin	Delhi NCR	2018	Fintech and financial services	10.0	Series A	Green Frontier Capital, Dalmia, LC Nueva Investment Partners, Lighthouse Canton, Nueva Capital
Zoomcar	Bengaluru	2012	Transportation	10.0	Debt financing	Ananda Small Business Trust
BluSapphire	Hyderabad	2014	Cybersecurity	9.2	Series A	Barings Private Equity India, Dallas Venture Capital, RPG Ventures, Merisis Venture Partners, Xto10X
BeepKart	Bengaluru	2020	Automotive	9.0	Series A	Vertex Ventures South East Asia and India, Stellaris Venture Partners, Chiratae Ventures
Perfios	Bengaluru	2007	Fintech and financial services	6.1	Debt financing	Stride Ventures

Source: YourStory Research



THE TOP 25 DEALS of October 2022 add up to \$1.07 billion, accounting for 90.4% of the month's total funding of \$1.18 billion. While the top 5 deals saw a fundraise of \$640.0 million, accounting for 54.1% of the monthly total, debt financing worth \$356.1 million

(six deals) and deals where round types were undisclosed worth \$437.4 million, respectively accounted for 33.3% and 40.9% of the top 25 deals' total, and 30.1% and 36.9% of the monthly fundraise of \$1.18 billion during October 2022.

M&A deals of October 2022

October 2022 saw a total of 13 merger and acquisition deals in the startup ecosystem, with seven deals in the edtech space accounting for 53.8% of the total.

Acquisition announcement date	Acquiree company	Acquiree company's sector	Acquiree company's headquarter city	Deal value (\$ mn)	Acquiring company	Acquiring company's sector	Acquiring company's headquarter city
3-Oct	Square Off	Edtech and education services	Mountain View, US	Undisclosed	Miko	Artificial intelligence	Mumbai
6-Oct	Coding Ninjas	Edtech and education services	Delhi NCR	1.7	Info Edge	Edtech and education services	Delhi NCR
7-Oct	Revolt Motors	Electric vehicles	Delhi NCR	Undisclosed	RattanIndia Enterprises	Electric vehicles	Delhi NCR
10-Oct	Leadup Universe	Edtech and education services	Delhi NCR	Undisclosed	Board Infinity	Edtech and education services	Mumbai
10-Oct	Vistaar Finance	Fintech and financial services	Bengaluru	Undisclosed	Warburg Pincus	Fintech and financial services	New York, US
10-Oct	Kamakhya Beer & Bottling	Food and beverages	Bijnor	Undisclosed	Bira 91	Food and beverages	Delhi NCR
12-Oct	The Beer Cafe	Food and beverages	Delhi NCR	Undisclosed	Bira 91	Food and beverages	Delhi NCR
12-Oct	Internln	Edtech and education services	Pune	Undisclosed	Belong	Edtech and education services	Delhi NCR
13-Oct	Deeksha College	Edtech and education services	Bengaluru	Undisclosed	Vedantu	Edtech and education services	Bengaluru
13-Oct	J. K. Shah Classes	Edtech and education services	Mumbai	10.0	Veranda Learning	Edtech and education services	Chennai
13-Oct	Altis Vortex	Publishing	Delhi NCR	Undisclosed	Physics Wallah	Edtech and education services	Delhi NCR
13-Oct	PrepOnline	Edtech and education services	Delhi NCR	Undisclosed	PhysicsWallah	Edtech and education services	Delhi NCR
17-Oct	LimeRoad	E-commerce	Delhi NCR	3.8	V-Mart Retail	E-commerce	Delhi NCR



YourStory Research, the research arm of YourStory Media, is the definitive source for data-led insights and analysis of trends impacting the Indian entrepreneurial and tech ecosystem. YourStory Research focuses on market research, market intelligence, startup discovery, and consulting in the startup ecosystem in India.

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