ANNUAL FUNDING REPORT 2024

An in-depth view of the state of funding in the Indian startup ecosystem and the key trends governing the flow of money in 2024

YOURSTORY RESEARCH

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Introduction

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Winter's over, spring arrives.

Startup funding isn't just a measure of a business's potential—it's a barometer of confidence in a nation's economic future. By this yardstick, Indian startups, as well as the economy, have shown in 2024 that they are made of sterner stuff, especially given the global headwinds.

The ecosystem not only weathered the storm but emerged stronger, raising $13.2 billion in 2024—a robust 22% increase from 2023's $10.8 billion. This wasn't just a recovery; it was a statement of resilience.

The numbers tell a compelling story of revival. After a brutal 2023 that saw funding plummet 52% from 2022, 2024 marked the ecosystem's emphatic attempt to escape from the funding winter's grip. Each quarter maintained a steady pulse of over $2 billion in investments, with the third quarter hitting a high of $4 billion. Deal flow surged 18.3% to 1,255 deals, that's an average of three deals every single day of the year.

The fact that early-stage startups (pre-seed to Series A) outpaced growth-stage companies in funding clearly shows that venture capital is backing India's next generation of innovators. Meanwhile, the uptick in debt funding points to founders looking to tap new sources of capital as well as a maturing of the startup ecosystem.

The rivalry among startup hubs delivered a compelling twist in 2024. Thanks to Zepto and its $1.3-billion fund-raise, Mumbai seized the funding crown from Bengaluru for the first time. But the margins were whisker-thin—Mumbai's $3.7 billion is just ahead of Bengaluru's $3.6 billion, with the Delhi-NCR region following closely at $3.4 billion.

The year 2024 was also when Indian startups truly arrived on Dalal Street. Thirteen companies made their debut on the public markets, nearly tripling 2023's count. Go Digit opened the account and MobiKwik provided the year-end finale. Most of the companies that IPO'd performed strongly, cementing public market confidence in technology enterprises.

Swiggy's substantial $1.4-billion raise set a new benchmark, while successful listings across various sizes—from Unicommerce's modest Rs 277 crore to larger IPOs—showed the market's appetite for technology companies across the spectrum.

Sector-wise, fintech is proof that consistency is more important than form. Like always, it retained its throne with investors pumping in $3.2 billion across 193 deals. The new kid in town, quick commerce, emerged as a formidable contender with $1.3 billion, but there's still daylight between the top two. Healthtech came third with $857 million in investments.

Surprisingly, there was little evidence of the global frenzy for artificial intelligence in India—the sector only attracted a modest $220 million across 51 deals. This is in stark contrast to the billions poured into AI globally and suggests the opportunity that is available here for nimble founders.

Deal-making is back and showed consistency through all quarters, unlike 2023's worrying dip below the $1-billion mark in the third quarter. This steady deal flow, combined with six new unicorns and 23 startups raising over $100 million each, suggests India's startup ecosystem isn't just recovering—it's charting bold new territories with newfound confidence.

Funding in 2024

Total amount raised

$13.20 billion

Total number of deals

1,255

Top 3 sectors

Fintech	Quick commerce	Healthtech
$3.20 billion	$1.3 billion	$0.85 billion
193 deals	6 deals	98 deals

Top 3 cities

Mumbai	Bengaluru	Delhi-NCR
$3.70 billion	$3.60 billion	$3.40 billion
241 deals	357 deals	357 deals

Top 3 startups

zepto	DMI FINANCE	meesho
$1.3 billion	$0.33 billion	$0.27 billion

Top 3 investors

iPV	VentureCatalysts++ India's 1st Multi-Stage VC	BLUME
50 deals	42 deals	36 deals

Stage-wise funding

Early	Growth	Late	Debt
$3.4 billion	$3.1 billion	$5.1 billion	$1.6 billion
955 deals	148 deals	56 deals	96 deals

Unicorns

KRUTRIM
Moneyview
Perfios
rapido
ATHER
RateGain

IPOS

SWIGGY
digit
MobiKwik
ixigo
unicommerce
tbo.com TRAVEL SIMPLIFIED
TRUST
awfis
firstcry
OLA ELECTRIC
TAC Security
MENHOOD
BLACKBUCK

Key mergers and acquisitions

OYO — $525 million — G6 Hospitality

zomato — $244 million — Paytm travel

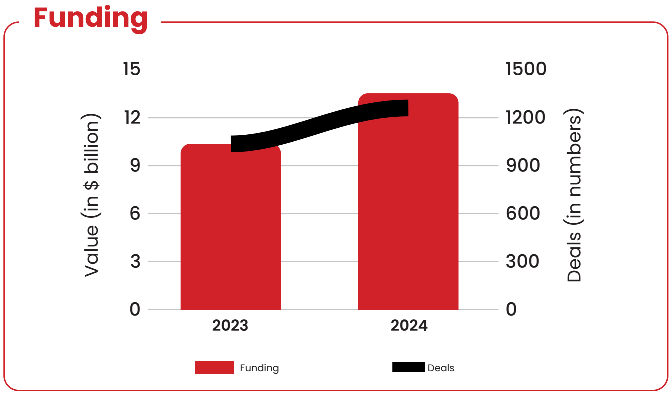
Fullerton India — $30 million — LENDINGKA₹T

Key takeaways from the numbers

Total deals

In 2024, Indian startups raised $13.2 billion, a 22% increase from 2023's $10.8 billion, overcoming the 'funding winter' freeze. While this doesn't seem a big growth, the year was certainly a period of relief given that the ecosystem saw a 52% decline in funding in 2023 compared with 2022.

This recovery is visible in the total number of deals across 2024, which stood at 1,255, an increase of 18.6% from 2023's 1,058.



Quarterly breakdown

Every quarter saw startups raise at least $2 billion. However, Q3 saw the highest inflow at $4 billion across 340 deals while the first quarter saw the lowest at $2.4 billion. This is in contrast to the previous year as the first two quarters of 2023 accumulated more than $3 billion each. Funding fell to below $1 billion in the third quarter, followed by a late recovery in the last quarter.

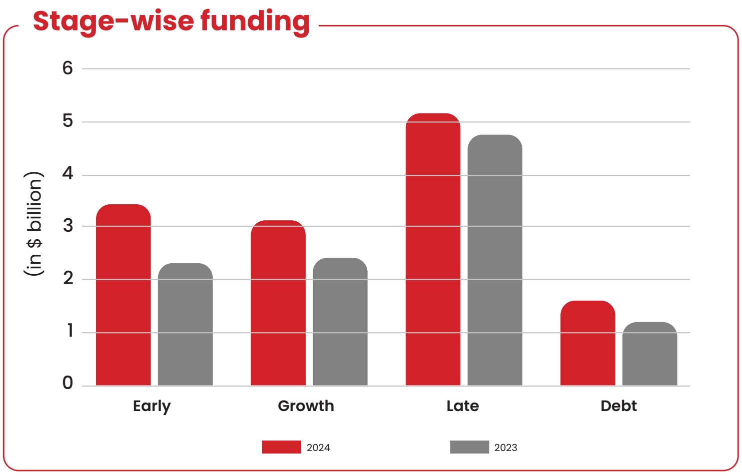
Stage breakdown

In 2024, there was an increase across all stages of funding compared with 2023.

Early-stage startups dominated in terms of number of deals, raising $3.4 billion across 955 deals. However, this also means that the value of each deal came to just about $3.5 million on average. An interesting point to note: Unlike previous years, the amount raised among early-stage deals was higher than that of growth-stage in 2024.

The late-stage category continued to garner the highest quantum of funding, raising $5.1 billion from only 56 deals—an average cheque size of over $90 million.

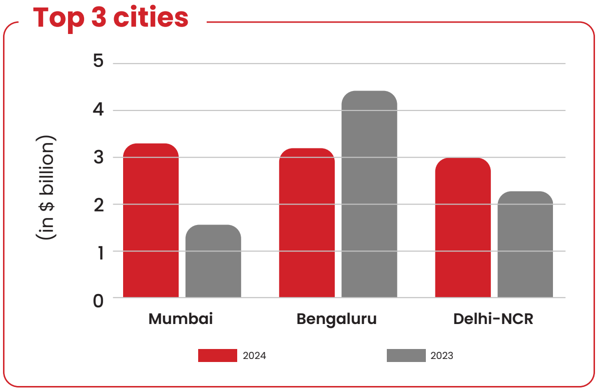
When it comes to debt funding, there has been a steady increase in the amount raised, showing that even as the ecosystem recovers from the winter freeze, equity isn't as easy as it used to be.



Location

City-wise, Mumbai took the number one position, displacing Bengaluru from its top spot for the first time, albeit by just $100 million. This was largely due to the massive $1.3 billion raised by quick commerce unicorn Zepto. Delhi-NCR took the third position.

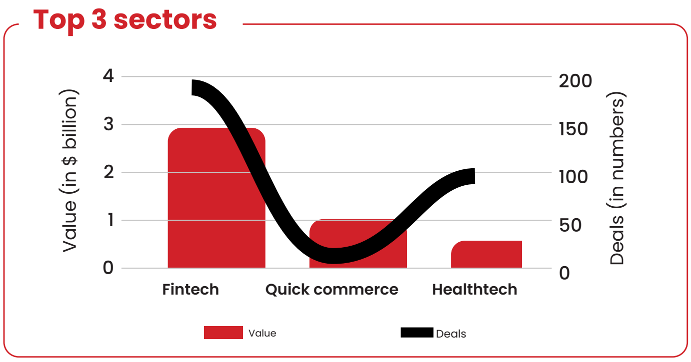
Over the years, the top six cities in terms of quantum of funding has remained more or less the same. Bengaluru, Mumbai, and Delhi-NCR have always occupied the top 3 spots, followed by Chennai, Pune, and Hyderabad. This indicates that investors, unfortunately, are yet to make a meaningful impact on other locations in the country.



Sector breakdown

Fintech remained at the top both in terms of number of deals and volume of funding. This was followed by the quick commerce segment, courtesy of Zepto alone, while healthtech came third. In contrast, 2023 had ecommerce and mobility in the top 3 (alongside investor-favourite fintech).

Surprisingly, the artificial intelligence segment did not see much activity in 2024 given the major thrust of investors in this area. Unlike in the US, where this segment garnered billions of dollars, this segment in India received just $220 million in funding from 51 deals in 2024, merely $10 million more than 2023.



Unicorns

Just six startups attained the coveted billion-dollar valuation in 2024: Krutrim, Ather, RateGain, Moneyview, Rapido and Perfios. While this is more than double the meagre two in 2022, it pales in comparison to the 40+ unicorns created in 2022.

IPOs

If 2022 was the year of unicorns, 2024 could be called the year of IPOs for the Indian startup ecosystem. Getting listed on the stock exchanges is a 'graduation' for these private venture-backed entities into the big world of public companies.

In 2024, 13 startups debut successfully on the Indian stock exchanges, with their share prices trading higher than the IPO price—Ola Electric was an exception but the Bhavish Aggarwal-led company made a quick recovery.

The highest amount raised through the IPO during the year was by Swiggy at Rs 11,327 crore and the lowest was Rs 277 crore by Unicommerce. This shows that the Indian stock exchanges were receptive to startups regardless of their size.

Top startups

Zepto's fundraise of $1.3 billion across three tranches not only catapulted the sector to the second-highest in the quantum of funding raised in 2024, it also managed to help Mumbai gain the top spot in the city list. Fintech startup DMI Finance and social commerce unicorn followed at $334 million and $275 million respectively.

During the year, 23 startups raised more than $100 million. Many companies, including Lenskart, Fibe, and Rebel Foods, also saw secondary transactions, indicating that investors remained invested in top-performing Indian startups.

Top investors

The top three venture capital investors in terms of number of deals during 2024 emerged from the early-stage investment category. Leading the list is Inflection Point Ventures with 50 deals, followed by Venture Catalyst at 42 and Blume Ventures with 36.

Entities that do large-value deals, such as Premji Invest, Khosla Ventures, and Prosus, were quite active in the Indian startup ecosystem.

Mergers and acquisitions

The Indian startup ecosystem in 2024 did not witness any large-scale mergers and acquisitions, probably due to the recovery from the funding winter. The highest value deal was from hospitality startup Oyo which acquired US-headquartered G6 Hospitality for $525 million.

Next was Zomato acquiring Paytm's ticketing business for $244 million, followed by Lendingkart's acquisition by Singapore-headquartered Fullerton for around $30 million. Besides, there were smaller acquisitions by startups such as DMI, NODWIN Gaming and Nazara.

Trends that defined the **Indian startup ecosystem in 2024**

India's startup landscape has transformed from a quiet backwater in the late 2000s to a roaring ecosystem making its mark on the global stage. While the government recognised just 450 startups in 2016, the official count now stands at over 130,000 ventures in 2024, each one a testament to the nation's entrepreneurial spirit.

This isn't just in the large bustling metros. The startup wave has swept across 670 districts, with half of these ventures thriving in Tier II and III towns. The message is clear: innovation in India doesn't need a postcode from Mumbai or Bengaluru to make its mark.

The capital flowing into these ventures tells a powerful story. Between 2014 and the first half of 2024, a staggering $150 billion flowed into the ecosystem. The whole of 2024 drew $13.2 billion. Ecommerce, fintech, and enterprise tech are leading this charge with solutions that are distinctly Indian yet globally resonant.

The unicorn stable has become an impressive collection—more than 110 companies valued at over $1 billion as per their last known public and private valuations. In 2024 alone, six more startups joined this elite club, each one carving its own path beyond traditional business models.

Behind this surge stands an army of backers: over 250 institutional investors and thousands of angel investors who recognise the potential of startups. Heavy hitters like Inflection Point Ventures, Venture Catalysts, Blume Ventures, and Peak XV Partners aren't just writing cheques—they're backing India's next generation of business leaders.

This influx of capital is transforming more than balance sheets. The ecosystem's impact runs deeper than numbers: 1.3 million jobs created, talents unleashed, and dreams taking flight. Even in a year of global uncertainty, the ecosystem showed its strength—job losses dropped 46% from 2023, affecting fewer than 9,000 professionals, while hiring plans for 2025 signal strong growth ahead.

Within this thriving landscape, fintech leads in luring funding, while Bengaluru, Mumbai, and Delhi-NCR remain the key startup hubs. The public markets have welcomed new enterprises—13 startups stepped onto the stock exchange in 2024, with more poised for their 2025 debut.

Government policy, once a barrier to Indian enterprise, has transformed into a catalyst for innovation. From Startup India to specialised AI research funds, the regulatory landscape now propels growth rather than restraining it.

India has always been a nation of entrepreneurs. In 2024, that spirit is finding new expressions, as Indian innovators don't just participate in the global technology race—they help set its pace.

Angel tax laid to rest

In 2024, the Union Budget abolished the angel tax for all classes of investors to boost entrepreneurial spirit and innovation.

Levied on funds raised by early-stage startups, it had seen some some relaxations in 2019. However, the exemptions were targeted at startups that met a set of criteria laid down by the government, putting the onus of compliance on these companies. This 2024 announcement now does away with these restrictions, making it easier for startups to raise funds.

First introduced in 2012, the taxation was aimed at preventing money laundering and tax evasion under the Income Tax Act.

Section 56(2) (vii b) of the Income Tax Act treats investment in shares of unlisted companies (or funding in exchange for equity in startups) as taxable income if the total investment exceeds the fair market value of the company. In such cases, the investment greater than the fair market value is treated as 'income from other sources' taxed at 30%.

The amendments in 2019 were applicable to startups in which the amount of share capital and securities premium post-fundraise did not exceed Rs 25 crore. These startups were also required to ensure that the capital raised was not used for investment in financial assets and had to submit a declaration to the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce.

Since startups raise funds typically at a premium from its fair market value, keeping in mind the future growth, they would often struggle to justify their valuations, inviting tax notices citing 'inflated valuations'. The abolition of the angel tax does away with these limitations, reducing the compliance burden on early-stage startups.

The move is also in alignment with the government's Startup India initiative to nurture innovation. The policy change will encourage angel investors, including foreign investors, to participate in backing Indian startups. It will encourage an influx of capital, and this is significant given the slowdown in deals in 2023 and the muted growth in early-stage deals in 2024.

Lower valuations for successful listings

'Tis the season for IPOs.

Most of the 13 startups that went public in 2024 opted to lower their valuation to ensure a successful listing.

For instance, Blackbuck, a trucking platform backed by Peak XV and Accel, slashed its IPO valuation to nearly half of its earlier private market valuation of $1 billion. Similarly, Ola Electric and FirstCry, both backed by SoftBank, debuted at a lower valuation compared to their private market figures.

Swiggy initially aimed for a $15-billion listing but entered the market with a capitalisation of about $11.5 billion.

And it worked. Public market investors rewarded companies handsomely for the valuation cuts they undertook for their IPOs.

Ola Electric's market capitalisation almost doubled in the first 15 days after its market debut in August, while Swiggy's stock has been up 15% since its listing on November 13. Blackbuck's share price has also jumped more than 60% since its debut in November.

This pattern is expected to persist in 2025.

A dozen VC-backed startups, including Urban Company, Ola Cabs, PhysicsWallah, OfBusiness, Infra.Market, Shiprocket, Captain Fresh, Groww, Ather, and Mintifi, are reportedly in discussions with investment bankers for public listing.

Market analysts predict these companies will adopt competitive pricing strategies for their IPOs to secure investor confidence and ensure a successful market entry.

And the groundwork has been laid.

Fintech company Mobikwik, which initially sought a public listing in 2021 at a valuation of Rs 7,600 crore (around $1 billion at the time), priced its IPO significantly at a reduced valuation of Rs 2,165 crore ($250 million).

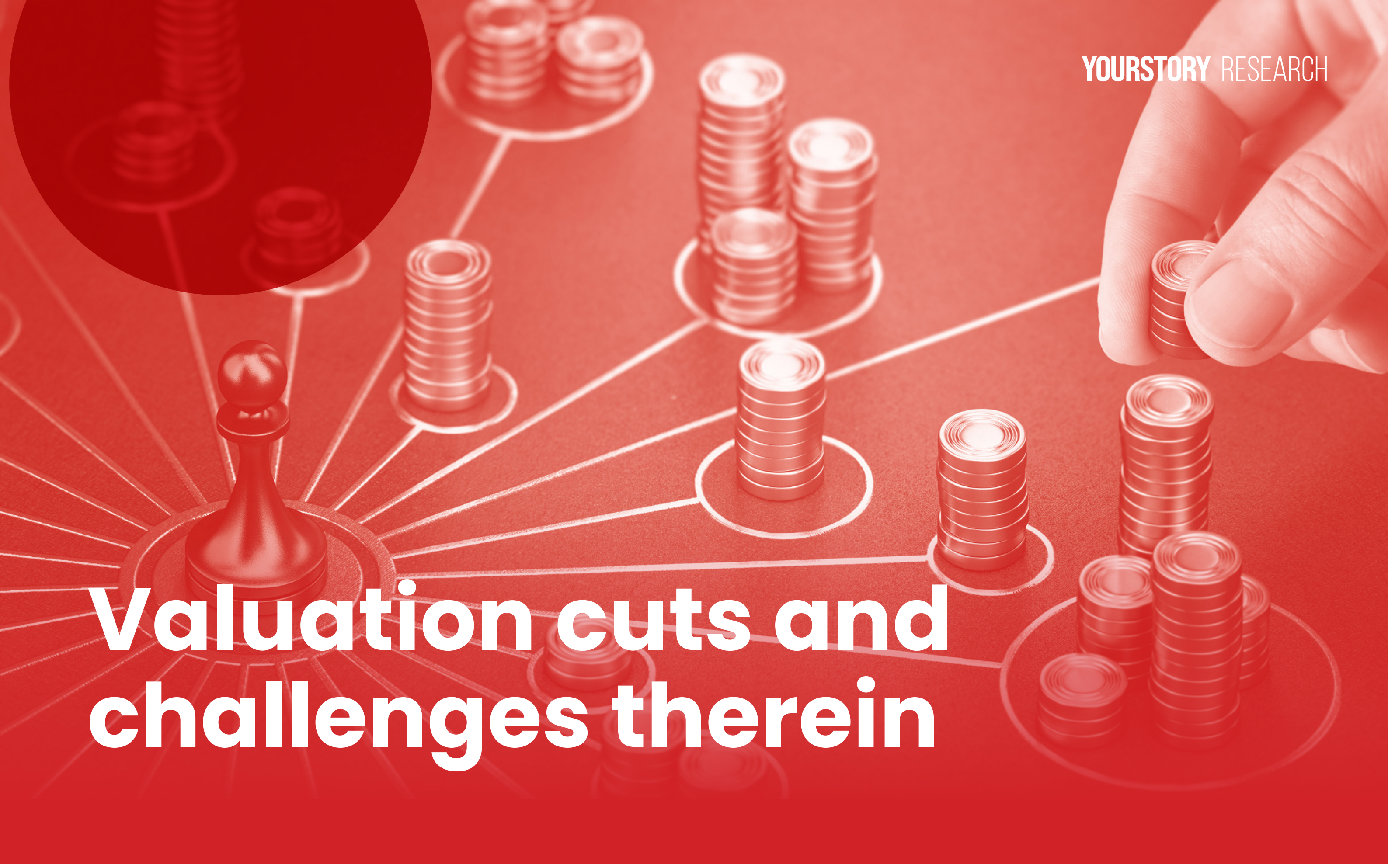
Fewer but notable M&As

On the mergers and acquisitions front, 2024 witnessed several notable deals, including the highly anticipated Jio-Disney merger and Zomato's acquisition of Paytm's events and ticketing business.

If the funding slowdown extends into the next year, India's tech ecosystem could see a surge in acquisitions. Companies may increasingly pursue M&A deals to provide exits for early investors while focusing on scaling up to build robust businesses for the public markets.

For instance, SoftBank-backed Unacademy has been exploring a merger for a while now. It seems to be closing in on a deal with the Kota-based coaching institute Allen.

Allen is reportedly set to acquire Unacademy for $800 million, which is less than a quarter of the SoftBank-backed company's previous private market valuation of $3.4 billion.



Valuation cuts and challenges therein

The past few years have seen significant valuation corrections for Indian startups, and 2024 was no exception.

BYJU'S, once the most valued startup in the country, raised $250 million in January through a rights issue, at a staggering 90% lower valuation. The company had been grappling with numerous internal challenges, and the steep valuation cut highlighted its urgent need for funds to sustain operations.

Another high-flying startup, Pharmeasy raised new funds at a 90% valuation cut. The company, last valued at $5.6 billion, raised $216 million in April 2024 at a valuation of $710 million.

However, the Prosus- and Temasek-based company has managed to script a turnaround and is again raising money, albeit a much smaller round of about $30 million from existing investors at a billion-dollar valuation, *The CapTable* reported earlier.

Besides these most notable downrounds, several startups across the country raised new money at either a flat evaluation or a 20% discount to their previous private market price.

For instance, SoftBank-backed Meesho raised new money at $3.9 billion, 20% down from its price tag of $4.9 billion in 2022, while edtech firms Eruditus and upGrad raised new money at flat valuations.

Going forward, in 2025, companies that could not grow their valuations will face challenges in raising funds at higher prices, according to market watchers.

Prosus India head Ashutosh Sharma predicts that companies that have scaled over the last two years will get higher valuations even at today's multiples as their scale would be much higher than what was in 2021 when a majority of these valuations were created.

However, the valuations will be a lot more rational, especially compared with the 2021 levels, observe industry participants. For instance, Lenskart, which is profitable and targeting a billion dollars in revenue this fiscal, is seeking a new funding round at a $6-billion valuation, 20% more than its earlier valuation of $5 billion.

AI's impact on SaaS

Artificial intelligence (AI) has ushered in a new era of growth for India's SaaS industry, unlocking a new suite of AI-enabled services and opportunities.

According to industry body nasscom, GenAI (generative AI) investments in India rose over sixfold during the second quarter of FY25 to $51 million, across 20 funding rounds, on the back of growing interest in B2B platforms and productivity solutions. This marks a significant rebound from the first quarter when funding was $8 million.

The SaaS sector is on track to achieve $50 billion in annual recurring revenue (ARR) by 2030, mainly driven by the transition of traditional SaaS firms from pure-play models to integrated GenAI offerings. Bessemer Venture Partners notes that this transition will position India's SaaS market to generate three times its current revenue by 2030.

The country has drawn global AI pioneers to its shores—Meta AI Chief Yann LeCun, NVIDIA CEO Jensen Huang, and Microsoft AI CEO Mustafa Suleyman—who are all exploring opportunities in the Indian market.

Meanwhile, Nandan Nilekani, Co-founder and Non-Executive Chairman of Infosys, has advocated for the need to build AI-driven use cases in India rather than prioritising the development of large language models (LLMs).

Government initiatives have also played an integral role in the sector. In 2024, the Union Cabinet approved the IndiaAI Mission, dedicating Rs 10,372 crore over the next five years to fuel growth in AI computing infrastructure and related projects. The government also called for bids to engage providers of cloud-based AI services as part of this mission.

In the startup world, Ola's AI venture, Krutrim, is aiming to produce India's first AI silicon chips by 2026—these are processors specifically built for complex AI tasks and workloads.

Nevertheless, amid the promising landscape, challenges abound. The increasing need for skilled AI professionals, insufficient computing infrastructure, limited market penetration in Tier II and III cities, and the ongoing concern about data localisation and regulation are crucial barriers to growth.

Collaborations between academia, startups, and tech giants can help solve these challenges. In 2025, India's AI landscape is poised to mature and become more integrated across industries.

The emergence of agentic AI—a type of AI that acts independently to solve problems, adapts to new situations, and learns from its action—is expected to shift the focus toward 'outcome-as-a-service' models.

Advances in autonomous systems, voice-driven AI solutions in regional languages, and energy-efficient AI servers will also fuel India's growth as a global leader in AI applications.

India's march towards being a $1-trillion digital economy will be accelerated by its ability to produce AI-driven solutions that serve its large population. Robust policy support and escalating investments by SaaS firms will play a key role in this journey.

Edtech's new and refreshed face

The edtech sector in 2024 experienced a significant shift, moving away from hyper-growth to sustainable and outcome-driven models. Years of inflated valuations and rapid expansion gave way to introspection, as companies placed stronger emphasis on sustainability, profitability, and outcomes. This shift was a response to market challenges and the increasing importance of trust and measurable results for long-term success.

A major trend within this transformation was the prioritisation of personalised, learner-centric approaches. AI and data analytics played a key role, enabling companies to align content with evolving industry needs and learner expectations.

Furthermore, hybrid learning models gained traction in 2024, particularly in higher education and professional upskilling. This approach combined online scalability with offline engagement to deliver impactful, targeted skilling programmes. This blended approach addressed the demand for employable, job-ready talent.

The turbulence within the sector was exemplified by the BYJU'S saga, with the edtech company facing the threat of bankruptcy amid ongoing legal battles. Similarly, PhysicsWallah, once hailed as the sole profitable edtech unicorn, shifted from profitability to a loss-making position.

Despite these setbacks, companies like Alakh Pandey-led PhysicsWallah, Ashwin Damera-led Eruditus, and Ronnie Screwvala-led upGrad demonstrated resilience and managed to secure substantial funding. The funding in the sector rose to $695 million in 2024 from $535 million in the previous year, according to Tracxn. While it's still too early to declare a funding revival for the edtech sector, these developments signal cautious optimism and renewed investor interest in the space.

Additionally, GenAI emerged as a game changer this year, automating content creation and enabling adaptive learning paths. While some companies quickly capitalised on this innovation, others lagged in its integration. Nonetheless, the realisation is clear— integrating AI is no longer optional but is essential to stay competitive and relevant in the edtech landscape.—integrating AI is no longer optional, but an essential tool for staying competitive and relevant in the edtech landscape.

Despite advancements, 2024 was marked by ongoing challenges. Unrealistic growth expectations, driven by overvalued startups, created turbulence in funding and market confidence. Companies that weathered this turbulent phase, recalibrated their strategies, focusing on realistic projections, operational efficiency, and long-term trust-building.

Edtech's journey in 2024 underscored the importance of aligning business models with sustainable growth.

In 2025, the edtech space is expected to continue its consolidation, with stronger players dominating key segments. Generative AI will remain a cornerstone of innovation, driving hyper-personalisation and competency-based learning. Hybrid models will redefine education delivery, and government initiatives like the National Education Policy (NEP) 2020 will strengthen industry-academia collaboration. Success will hinge on scalability, inclusivity, and trust-building to sustain long-term impact.

Hyper-growth of quick commerce

The year 2024 changed online shopping forever in India. Quick commerce, also known as hyperlocal delivery, which promises delivery in 10 minutes, finally started showing signs that it can be an economically viable model.

While 2023 was focused on expanding categories beyond groceries to include products under beauty and personal care, electronics, and other categories, 2024 was the year that demonstrated this success, solidifying their place in the quick commerce landscape.

In 2023, the key trend for quick commerce was expansion, as it looked to diversify offerings beyond groceries. By 2024, it was clear that these new categories were not just experiments but had become important drivers of success in the hyperlocal delivery model. This led to the convergence of quick commerce and ecommerce, with almost every big ecommerce player—Flipkart, Amazon, Myntra, Nykaa, BigBasket—all taking the plunge into hyperlocal deliveries, fulfilled through micro-warehouses or dark stores spread across India's major cities.

As exuberance around quick commerce reached an all-time high, fundraising by the early movers—Swiggy, Zomato and Zepto—gained significant momentum this year, be it through the public market or the private market.

This included the $1.4-billion IPO by Swiggy, Zomato's $1-billion qualified institutional placement, and Zepto raising $1.3 billion through the private markets. There were also reportedly conversations about potential M&As involving some of these players with ecommerce giants like Flipkart and Amazon.

While both large retailers, such as modern trade chains like Reliance Retail, and smaller retailers like *kirana* stores saw sales decline, the quick commerce sector grew multifold quarter-on-quarter as billions of dollars poured into the sector. However, this rapid growth also triggered growing regulatory scrutiny on the industry.

This resulted in companies like Zomato and Zepto making significant changes to their captable by increasing domestic shareholding to more than 50%, which is widely seen as an effort to comply with foreign direct investment (FDI) rules in India, and position themselves as Indian companies.

Towards the end of the year, quick commerce platforms continued to venture into more diverse categories, with the potential to impact small businesses. These early pilots provide a glimpse of what the industry might look like in the coming year.

Swiggy has already started piloting a pharmaceutical delivery service through a partnership with Pharmeasy. Blinkit has announced a 10-minute ambulance service in Gurugram, with plans to expand to other cities.

The 10-minute food delivery model is also gaining traction with many in the restaurant industry keeping a close eye on. While Zepto Cafe is opening over 100 stores a month, Blinkit has been piloting its 10-minute offering Bistro. According to a *YourStory* report, BigBasket is also eyeing an entry into the space.

As we move into 2025, the quick commerce industry is likely to make its presence felt more in Tier II cities, as companies gain more confidence in the growing demand for hyperlocal delivery services outside the metro areas. As of now, it is highly concentrated in the top 8 metro cities.

But there is a growing realisation that affluent customers in Tier II cities are increasingly adopting quick commerce service. Currently, the assortment in Tier II cities pales in comparison to what's available to customers in metro areas.

Hiring in 2024: Balance between resurgence and caution

The hiring landscape in India in 2024 was marked by recovery and cautious optimism. Despite global economic challenges, sectors such as ecommerce, healthcare, and technology led the way in driving hiring activity. White-collar recruitment improved towards the end of 2024, signalling a shift from the instability of recent years.

This resurgence marked a welcome shift from the tumultuous hiring cycles seen in the post-pandemic years, characterised by over-hiring and subsequent large-scale layoffs.

Economic pressures pushed companies to recalibrate their hiring strategies. Entry-level recruitment remained relatively stable, with fresh talent sought after particularly in IT, healthcare, and BFSI.

The emphasis on upskilling—aided by government initiatives—underscored the growing importance of workforce readiness in these segments.

Mid-level management hiring, on the other hand, witnessed a cautious approach, with organisations prioritising internal promotions and employee retention over external hiring.

At the C-suite level, there was a bifurcation in demand. While roles tied to risk management, sustainability, and digital transformation surged, other areas experienced a conservative stance as firms sought to optimise costs.

While there was steady hiring in certain sectors, there were also considerable layoffs in some others. The technology sector witnessed the highest layoffs, followed by finance, transportation, consumer goods, and aviation. This can be attributed to the drying up of funding, compelling companies to prioritise profitability over aggressive expansion.

Additionally, the scarcity of highly specialised talent in areas such as AI and data science posed hurdles for organisations striving to innovate within constrained budgets.

The outlook for 2025 is optimistic. Entry-level and blue-collar roles are expected to see significant hiring as companies shift their focus towards scaling operations.

Emerging technologies, including AI, IoT, and blockchain, are set to fuel demand for skilled professionals across sectors such as manufacturing, BFSI, and healthcare. While mid-level hiring is likely to stabilise, C-suite positions will gain prominence in fields like AI, cybersecurity, and ESG.

That said, challenges remain in the form of economic uncertainties and the threat of layoffs, especially in the technology, retail, manufacturing, and finance sectors. To navigate the evolving landscape, job seekers must prioritise upskilling and adaptability, ensuring they stay relevant in a competitive job market.

Ghar wapsi: Rise of reverse flipping

In 2024, the trend of reverse flipping gained significant momentum among Indian startups. Reverse flipping refers to the process where companies originally incorporated abroad shift their legal entity back to India from foreign jurisdictions like Singapore and the US.

Several Indian startups like Flipkart, Meesho, Udaan, Pine Labs, Mensa Brands, Zepto, Eruditus, KreditBee, Razorpay, Pepperfry, and Livspace either completed or planned their return to India in 2024.

Often celebrated as a “homecoming”, reverse flipping is widely viewed as a precursor to public listings in India. It also brings significant tax revenue to the Indian government, bolstering the companies’ public image. For example, PhonePe’s shift from Singapore led its parent company, Walmart, to pay $1 billion in taxes to the Indian exchequer.

But why did these startups incorporate abroad in the first place, and why are they returning now—despite the steep tax costs involved? The answers lie not in altruism but in practical financial motivations.

Initially, startups registered overseas to benefit from simpler tax regulations, investor-friendly policies, and easier access to global funding. However, over the past two years, the funding winter has made raising capital in international private markets increasingly difficult. Investors on the captables of these companies are now seeking exits, while startups require fresh capital to fuel growth.

The recent IPO boom has also shown strong investor appetite for Indian startups. Despite challenges faced by companies like Paytm, many have performed well post-listing, creating a favorable environment for new entrants.

While the capital gains tax incurred during reverse flipping may appear hefty, it can be offset by successful public offerings. Listing in India also makes strategic sense as domestic investors better understand and relate to these companies' brands and operations.

In 2025, the reverse flipping trend is poised to gain momentum. The successful listings of Swiggy and MobiKwik this year, amid broader market headwinds, have further reinforced confidence in the Indian IPO market. With increasing liquidity and local investor enthusiasm, Indian startups are finding their way back home—this time, to stay.

Push and pull in the C-suite

In 2024, the corporate world experienced a notable shift as large companies underwent significant leadership changes, with a focus on strategic realignment following the instability caused by the pandemic. Publicly-listed companies in the US, in particular, saw the highest number of CEO changes since 2010, according to recent reports.

One of the most prominent cases of leadership upheaval occurred at OpenAI, the maker of ChatGPT. The company's decision to transition to a "for-profit" model led to the departure of several key executives.

Back home in India, top management changes in Indian startups have been driven largely by technology companies transitioning to a formalised structure ahead of public market debut, and to some extent for corporate governance reasons.

The edtech sector saw key exits as it hit a rough patch with declining momentum for online test prep and K-12 education, coupled with the alleged governance lapses at BYJU'S. It started with CEO Arjun Mohan announcing his departure in April 2024. The move coincided with the reorganisation of BYJU'S business into three separate divisions.

Other key exits from edtech companies include the departure of Hemesh Singh, Co-founder and CTO of Unacademy, in June 2024; and Mayank Kumar, Co-founder and Managing Director at upGrad, who left the company to start his own venture in October 2024.

Indian-origin SaaS company Freshworks also saw key leadership changes as Founder Girish Mathrubootham stepped away from his role as CEO to take the position of Executive Chairman. This marked a new phase for the Nasdaq-listed company, which has since made key hires across the board to solidify leadership across different business functions and verticals.

The consumer internet space in India also saw key people movements. Amazon India head Manish Tiwary moved on from the ecommerce entity to join Nestle earlier this year. Foodtech platform Zomato saw the departure of its Co-founder and Chief People Officer Akriti Arora after 13 years in the company. Flipkart too saw senior management exodus as Cleartrip head Ayyappan R and Head of marketplace and categories, Amitesh Jha, tendered their resignations, followed by other key executive departures in the company.

Meanwhile, beleaguered ecommerce platform DealShare saw the exit of the third member of its original founding team when Co-founder and CEO Sourjyendu Medda exited the company as part of the business realignment, moving from an online to a hybrid marketplace.

The list of technology companies listing on the public markets or preparing for it has also seen elevations and management reshuffle in companies such as Swiggy, OYO, and others. Ola Cabs recorded key departures in April and May of this year with CEO Hemant Bakshi and CFO Karthik Gupta tendering their resignations in quick succession in the midst of a restructuring exercise.

VC exits: Gains continue

In 2024, the Indian startup ecosystem faced increasing pressure from venture capital (VC) firms for exits, as many VCs neared the end of their first fund cycle. These cycles, which typically span between 9 and 12 years, funded several late-stage companies.

As a result, many VCs sought opportunities to realise returns on their investments, often by facilitating exits through secondary transactions. Companies like Lenskart, Meesho, PhysicsWallah, and Rebel Foods, among others, that raised large funding rounds, in excess of $200 million in most cases, had a secondary component involved, giving exits to their early backers and even a few angel investors.

Prominent venture capital firms like Blume Ventures, Orios Venture Partners, Accel, and Peak XV Partners pursued partial or full exits from their portfolio companies through direct listings or secondary transactions. This trend also prompted startups like Unicommerce and IntrCity to explore smaller-scale initial public offerings (IPOs).

While Unicommerce successfully went public, IntrCity is projected to follow suit in 2025, according to Karthik Reddy, Founder of Blume Ventures. The slowdown in private markets, coupled with a booming public market, further incentivised startups to explore listing opportunities during the year.

Historically, Indian VCs have focused on securing a series of smaller successes rather than waiting for a singular, breakthrough exit as the startup ecosystem continues to await a $100-billion outcome in venture capital. While companies chose to go public, others began exploring secondary deals, fueling the rise of secondary-focused funds such as Kenro Capital.

In an interview with YourStory, Piyush Gupta, Founder and Managing Partner of Kenro Capital and a former Peak XV executive, highlighted the growing potential of India's secondaries market, currently valued at approximately $100 billion and poised for further expansion.

In 2025, most VCs expect the trend to continue. In fact, VCs expect more secondary transactions to take place as pressure on them mounts to return capital. Startups like Innovaccer, BharatPe, ShareChat, Cult.fit, and Meesho, among others, which have raised substantial funding, are already seeing shares exchanged in the secondary market, according to reports.

According to Gupta, as the venture capital ecosystem matures, Limited Partners (LPs) are increasingly focusing on distributed-to-paid-in-capital (DPI) metrics, which are gaining prominence over traditional return-focused metrics.

Norbert Fernandes, Partner at Kenro Capital, shares that the attitude of General Partners (GPs) has also evolved. Previously, they would inquire, "What is a secondary transaction?" Now, they are actively seeking opportunities to participate in such deals.

Bitcoin rally: How the US elections added fuel to a spark

If one had invested Rs 2,000 in Bitcoin in December 2020, the year when the Reserve Bank of India's ban on crypto currency was lifted in India, it would be now worth Rs 9.7 lakh—485 times more than the initial investment.

This not only shows the volatile nature of the digital asset class but also gives a snapshot of the ongoing Bitcoin rally—one that has been in the making since the end of 2023.

In 2024, Bitcoin's price saw a roller-coaster ride.

The cryptocurrency closed slightly lower than $42,582.61 on January 31, at a marginal increase of 0.7% from the price in December 2023. A year later, on December 31, 2024, the price of the asset, popularly known as digital gold, stood at $92,706.12.

A number of factors have helped this rally.

One of them is the re-election of Donald Trump in the presidential elections in the United States, given his pro-crypto stance. Other factors include rising institutional interest in Bitcoin and the approval of spot Bitcoin ETF in major markets such as the US and Europe.

Additionally, with inflation cooling off in major economies, central banks adopted a more dovish stance on interest rates this year.

One of Trump's promises to the crypto market was that he would work towards lowering interest rates in the US. Lower interest rates indicate cheaper borrowing rates, which in turn pushes more money into the economy, setting the stage for a rise in crypto investments.

Another interesting trend going into 2025 is the rally of the altcoin. Altcoin (alternative coin), as the name suggests, is any cryptocurrency other than Bitcoin. An altcoin rally, most often than not, follows a Bitcoin rally. This has happened in 2017 and 2021.

Market experts are hinting at a potential altcoin rally in the first half of 2025; the crypto landscape is already showing signs of this.

According to a blog by Mudrex, the Altcoin Season Index, which measures the performance of top 50 altcoins against Bitcoin over 90 days, has risen to 31 points. Historically, when the index approaches or exceeds 30, it signals the early stages of an altcoin rally, the blog notes.

When altcoins begin showing potential of short-term gains, investors afraid of missing out on quick returns and looking for riskier investments often rush to invest in these assets, leading to intense price action in the altcoin market.

India’s social media landscape 2024

Once hailed as India’s answer to X (formerly Twitter), social media platform Koo found itself struggling in 2024 due to rising competition and strategic missteps. The company’s inability to secure partnerships with larger internet companies, conglomerates, and media houses, marked a significant blow to its future plans. In July, it shut shop.

Koo faced significant challenges in competing with global giants like Meta’s WhatsApp, Facebook, and Instagram, which dominate the domestic market. However, despite their substantial reach, these platforms left a critical market untapped—regional languages. India’s vast and diverse linguistic population presents an opportunity that many social media platforms are eager to capitalise on.

For instance, ShareChat, owned by Bengaluru-based Mohalla Tech, has emerged as a strong competitor by focusing on regional languages, allowing users to discover and engage with content in their native languages through posts, videos, and public chat rooms.

Despite being valued at $1.5 billion as of December 20, 2023, ShareChat’s parent company has been reporting widening losses since FY15, with net loss touching Rs 1,898 crore in FY24.

In contrast, Chingari, an NFT-based social platform for sharing short videos, has been performing positively. The platform enables users to watch content from various languages and monetise through it in the form of NFTs. The company reported a 70% decline in net losses and crossed Rs 100 crore in revenue in FY23.

According to consulting firm Primus Partners, 2025 will be the year when social media firms in India undergo notable expansion and change, fuelled by rising internet access, increase in digital literacy and evolving consumer preferences.

With over 600 million internet users and increasing smartphone penetration, India will also pose as an ideal environment for the growth of new social media startups as demand for localised content and niche platforms will continue to rise.

Government schemes such as Startup India and Digital India has also created a favourable environment for digital entrepreneurs, providing policy support and funding opportunities.

But the ecosystem is not without its own set of challenges such as access to funding, affordable infrastructure such as cloud services, data centers, talent development, and a more favourable regulatory framework which includes tax incentives.

Big Tech’s big Bharat push

In 2024, big tech companies significantly increased their engagement with India, leveraging its skilled workforce, burgeoning market, and strategic significance amidst global geopolitical shifts. However, these efforts unfolded alongside increasing regulatory scrutiny, highlighting the complexities of operating in one of the world’s fastest-growing digital economies.

India, with its rapidly growing digital economy, became a key focus for global giants like Google, Microsoft, and Amazon, who deepened their investments in Artificial Intelligence (AI).

While Microsoft launched its AI Odyssey programme, aimed to train 100,000 developers, Google supported AI startups with $350,000 in cloud credits through its Startup Cloud Programme. Amazon partnered with Indian startups to enhance its fintech and logistics ecosystems. Simultaneously, the expansion of data centres by major cloud providers underlined India’s centrality in global digital transformation initiatives.

Amid rising geopolitical tensions and supply chain vulnerabilities, Apple and Google advanced their localisation strategies this year. While Apple expanded production beyond iPhones and reduced reliance on China, CEO Tim Cook confirmed plans to open four new stores in India.

Google, which started manufacturing Pixel 8 smartphones by partnering with Dixon Technologies, is exploring production in Tamil Nadu with Foxconn, and has announced plans to establish drone manufacturing facilities under its Wing subsidiary, underscoring India's growing importance as a manufacturing hub for global tech.

Big tech actively fostered innovation by engaging with Indian startups. Google invested in startups like Namma Yatri and Flipkart, and collaborated with MeitY Startup Hub to support 10,000 AI-driven startups.

Amazon launched Saheli programme with an aim to empower women entrepreneurs, while its collaboration with DPIIT plans to support ecommerce growth for startups. These collaborations amplified India's startup ecosystem while aligning with tech giants' strategic goals.

In 2024, India's regulatory scrutiny over big tech companies escalated significantly. The introduction of the draft Digital Competition Bill aims to curb monopolistic practices, impose fines, and foster fair competition.

The Competition Commission of India also probed companies like Google, Meta, Apple, and Amazon this year for alleged anti-competitive behaviour. Apple's appeal to halt a competition probe was rejected, and Meta was fined Rs 213 crore for WhatsApp's privacy policy practices, signalling India's resolve to enforce data privacy and market fairness.

Going forward, India's prominence in big tech's global strategies will deepen, driven by its market growth and policy reforms. While innovation and manufacturing gains are likely, compliance with evolving regulations and ethical data practices will be pivotal. As global supply chains shift, India's role as a tech hub will expand further, fostering opportunities and challenges.

Vision 2025: What lies ahead?

It's already a fortnight into the new year, and Indian startups have raised just over $115 million already. The ecosystem is optimistic about a further increase in capital inflow, corroborated by VC firm Accel's latest fund-raise of $650 million.

The first unicorn sighting of the year is around the corner. SoftBank-backed Juspay is in talks to raise over $100 million at a valuation of little over $1 billion. Kotak Mahindra Capital Company pegged 2025's domestic IPO market at $35 billion, up from $22 billion last year.

On the other hand, global headwinds, including changes in US trade policy are likely to impact the Indian economy. IMF Managing Director Kristalina Georgieva predicted that the Indian economy may be a "little weaker" this year despite steady global growth.

These external developments will have a bearing on the Indian startup ecosystem. The Indian stock markets are in volatile territory, seeing a decline since September 2024. Secondly, overall GDP growth is expected to slow down, from the 8.2% in 2023-24 to 6.4% in this financial year.

This kind of environment does sow a seed of doubt on the growth prospects of Indian startups in 2025. It brings up the question whether these companies will be able to successfully raise capital this year, tiding over the muted growth seen over the last 18 months.

The jury is still out on this but there are two strong qualities of the Indian startup ecosystem which have held them in good stead since the onset of the COVID-19 pandemic in 2020 - resilience and adaptability. Both startup founders and investors have amply demonstrated these characteristics.

The start of 2025 might look challenging given the current global macroeconomic conditions but things might settle down for a better future later this year. This can be seen in the continued enthusiasm among the startups to tap into public markets through the initial public offering (IPO) route. Further, there are very active conversations among founders and investors for fund-raises.

The spirit of optimism has always been the hallmark of the Indian startup ecosystem and this is enough to surmount any challenges that startups might face this year.

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