

India Venture Capital Report 2026

Warm currents in cold seas: VC/growth funding accelerates as broader private capital markets slow.



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Definition: Classification of venture capital (VC)/growth investments

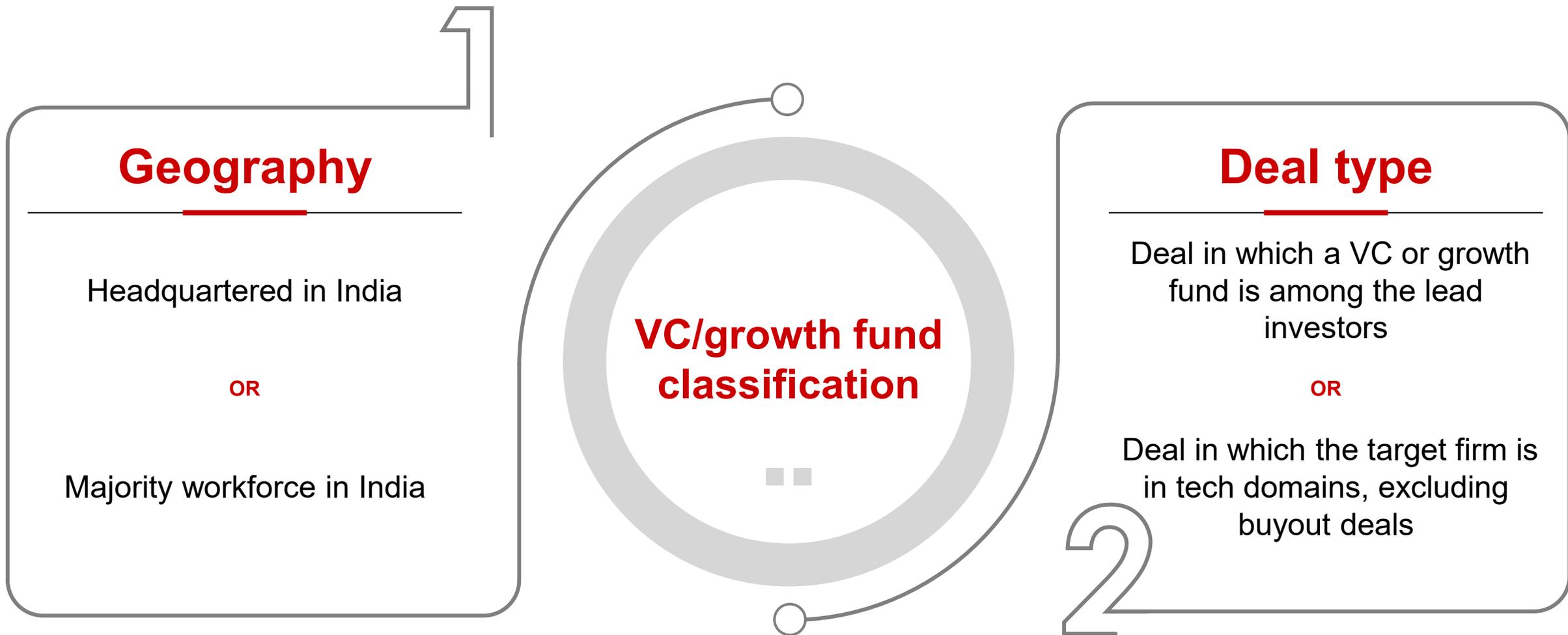


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Executive summary

India's venture capital (VC)/growth equity market continued its upward trajectory in 2025, reaching approximately \$16 billion and logging its second consecutive year of growth. This performance was especially notable against the backdrop of softer deployment across private capital overall.

Unlike 2024, when volume largely drove the rebound, 2025 saw more balanced growth across deal volume and average deal size. Larger (\$100+ million) funding rounds rebounded, particularly in software/software-as-a-service (SaaS) and fintech, and \$250+ million deals doubled year over year. Small and mid-stage activity held firm, with investors focusing on innovation in artificial intelligence (AI), consumer tech, and fintech.

Consumer tech entered a more measured phase. There were fewer mega-deals in 2025 than in 2024, but the sector still recorded higher deal activity compared to 2023.

The quick commerce (Q-commerce) rush of last year was replaced by focused interest in verticalized platforms offering curated assortments and tighter supply chains across categories such as fashion, food, and baby care. Capital continued to flow to scaled direct-to-consumer (D2C) brands in higher-margin segments, with investors prioritizing retention-led growth and disciplined unit economics.

Fintech posted one of the year's strongest rebounds, with deal value more than doubling year over year. While payments made up the largest transaction segments, investors also expanded into subsectors with more predictable monetization models. For example, wealthtech emerged as a key theme, supported by increased adoption of India's digital public infrastructure (DPI) rails, rising household savings, and a growing preference for goal-based investing, particularly among the mass and mass affluent segments.



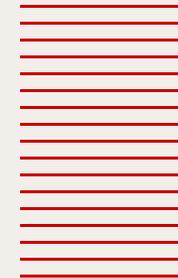
Funding in software/SaaS increased approximately 1.5x year over year. Mature incumbents from the 2021–22 cycle returned to the market, backed by geographic expansion and AI-led product evolution. Younger AI- and generative AI-native business-to-business (B2B) companies also gained traction, particularly in vertical applications. In sectors such as banking, financial services, and insurance (BFSI) and healthcare, use cases moved beyond pilots toward production-scale automation in underwriting, compliance, revenue cycle management, and workflow augmentation.

Exit value held steady overall, but the composition shifted. IPO-led liquidity events gained share, while strategic sales rebounded sharply from 2024 lows. Fintech and consumer tech accounted for the majority of exit value. Regulatory easing, strong retail participation, and resilient equity markets underpinned renewed price discovery and execution certainty, strengthening the pathway from private scale to public markets.

Fund-raising saw a significant increase. Capital raised by VC/growth equity funds doubled year over year, reaching approximately \$5.4 billion, driven by a surge in \$100+ million vehicles. Thematic focus sharpened around AI, deeptech, climate, space, and industrial technology, signaling a broadening of India's venture ambition.

India's VC/growth ecosystem continued to mature, marked by disciplined capital deployment, increased comfort with exit pathways, tighter governance, and clearer visibility into durable value creation. Resilient consumption, sustained public capex, and increased digital infrastructure spending supported this momentum. These conditions for steady, disciplined expansion are expected to remain intact.





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2025 marked a clear inflection point in AI investing. The conversation shifted from experimentation to execution as AI applications and autonomous agents moved beyond demos to owning real workflows. Use cases that were nascent just a couple of years ago are now delivering measurable ROI for enterprise buyers. We are seeing this across sectors—from healthcare in the US, where companies like Confido Health are deploying voice agents to scale the digital administrative workforce—to precision agriculture with Niqo Robotics, where AI is redefining productivity at the farm level.

BLUME VENTURES

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The Indian venture capital ecosystem is entering one of its most exciting phases, fueled by strong exits, IPO momentum, and renewed confidence. AI marks a fundamental technological shift. While global developments are influential, early successes from Indian AI companies signal the emergence of credible domestic leaders.

NEXUS VENTURE PARTNERS

Figure 1: VC/growth defied a broader private capital slowdown in India as deal activity broadened and exits improved (1/2)



India's VC/growth investments sustained momentum in 2025, surpassing ~\$16B

VC/growth investments rose 1.2x in 2025, diverging from a subdued private capital market where overall PE-VC funding declined. Global macro headwinds—including tariff uncertainty, geopolitical tensions, and tighter liquidity—weighed on leverage-driven private capital flows. VC/growth activity, however, proved more insulated, supported by longer investment horizons, reset valuations, and sustained confidence in India's long-term fundamentals and regulatory stability.



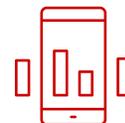
Growth reflected a balanced lift in ticket sizes and deal volumes, anchored by mid-ticket activity

Both transaction volumes and average deal sizes rose 1.1x, reaching 1,400 deals and an average ticket of \$11.5 million. Activity remained concentrated in sub-\$50 million investments as investors backed new-age models across consumer tech, fintech, and software/SaaS. This signaled a rotation from the traditional segments, such as BFSI, which had attracted investor interest over the past two years.



Consumer tech reoriented toward smaller checks, with fewer mega deals

Consumer tech funding moderated, though it continued to demonstrate longer-term resilience, rising ~25% YOY from 2023. Deal activity tilted toward smaller investments in the \$10–\$50 million range as investors backed newer operating models. Verticalized Q-commerce emerged as a notable green shoot as platforms sought differentiation through curated assortments and tighter supply chain control.



Fintech saw renewed investor confidence, led by scaled platforms and wealthtech deals

Fintech deal value rebounded, rising 2.2x over 2024, propelled by a handful of large transactions in scaled players such as PhonePe and Groww. Investor interest increasingly concentrated on RBI-aligned business models, with wealth-focused platforms drawing attention and seeing broad-based activity across mass/mass affluent-focused micro-savings platforms and UHNI-focused models.



Mature software/SaaS platforms returned to market, driven by AI-led innovation and global expansion

Software/SaaS momentum continued, with funding rising 1.5x YOY. While transaction volumes led the growth, deal value from \$50+ million transactions doubled with the successful return of mature companies to the market. Investor interest in these incumbents was driven by their accelerating international expansion, the scaling of AI/generative AI-led offerings, and continued expansion of their enterprise customer base.



AI/generative AI gained a foothold in vertical B2B use cases along with a rise in VC/growth AI-focused vehicles

AI/generative AI-native companies continued to attract capital, with funding rising 1.5x YOY. Vertical B2B solutions gained traction, particularly in BFSI and healthcare. B2C applications drew early attention in areas such as upskilling as investors continue to monitor product-market fit and monetizability. The theme was further underscored by the launch of AI-focused funds and earmarked commitments, signaling likely continued momentum.

Figure 1: VC/growth defied a broader private capital slowdown in India as deal activity broadened and exits improved (2/2)



Funding landscape tilted modestly toward established investors

The funding landscape shifted modestly toward more established investors in 2025, with leading VCs and PE/growth funds accounting for a slightly larger share of activity. While top venture firms expanded their presence in the \$10–\$50 million segment, PE and growth investors deployed capital into fewer, larger bets above \$50 million, favoring companies with clearer scale, profitability, and exit visibility.



VC/growth fund-raising surged, with rise in thematic-focused vehicles

India-focused fund-raising accelerated in 2025, with capital raised roughly doubling compared to 2024. Larger, established funds led the trend, while first-time managers found it harder to raise capital as LPs leaned more toward proven teams amid improving exit visibility. Domestic funds remained a salient part of the landscape, and thematic strategies continued to attract capital, particularly in areas such as deeptech, AI/generative AI, robotics, and spacetechnology.



Exit value held steady, with fintech and consumer tech driving liquidity

Exits remained resilient in 2025, with fintech and consumer tech anchoring the landscape and accounting for roughly 60% of activity. Fintech exits grew 1.7x, supported by strong public market activity. Healthcare and software/SaaS also recorded substantial growth in exits, driven by select \$100+ million transactions and late-stage funding rounds.



IPO-led exits gained momentum, and strategic sales rebounded from 2024 lows

IPO-led exits expanded, climbing 30% over 2024 levels, supported by a more accommodative regulatory environment and buoyant equity markets. Investors increasingly gravitated toward the stability of large-value, structured liquidity events. Strategic sales also staged a recovery, rising above \$1 billion in value after a subdued 2024, anchored by several \$100+ million exits across fintech and consumer tech.



VC/growth outlook positive, with capital disciplined around structural themes

Looking ahead, VC/growth funding is likely to concentrate further around infrastructure-led and new-age themes, including AI/generative AI, deeptech, and enablement platforms such as last-mile logistics for Q-commerce. India's domestic growth momentum and continued policy support should provide a constructive backdrop, while broader global uncertainty will keep investors anchored to scalable business models and demonstrable monetization.



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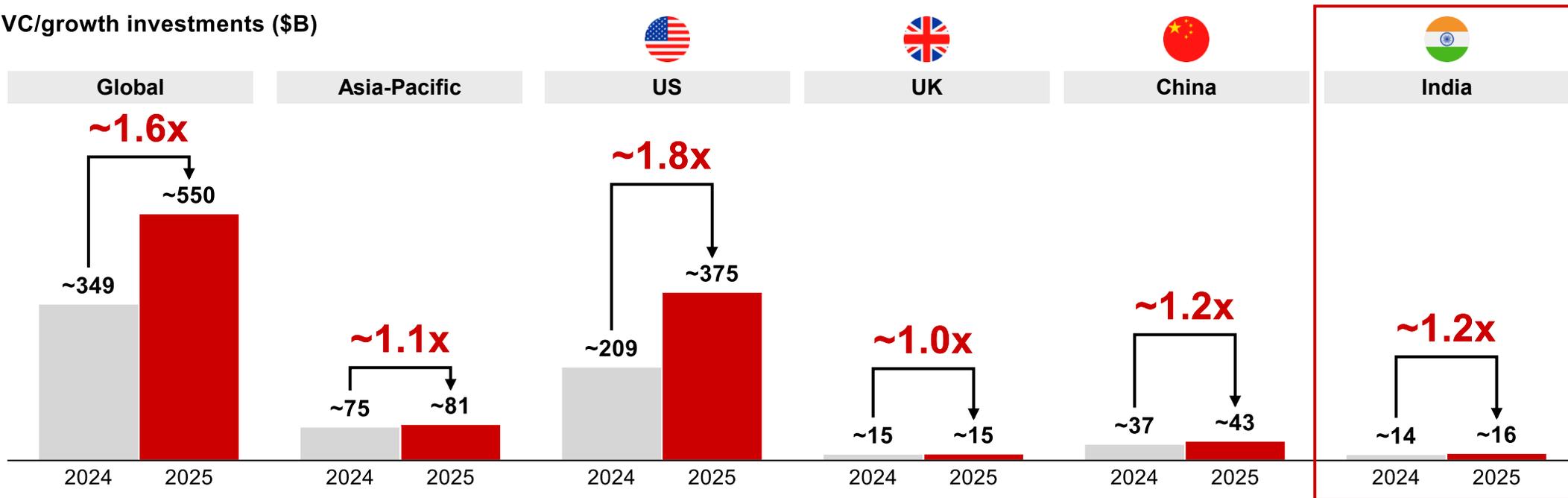
India VC deal
landscape

- **VC/growth momentum continued in 2025, with investments rising to \$16+ billion** (vs. \$14 billion in 2024). Growth was achieved despite subdued overall private equity (PE) and VC activity in India (approximately 18% decline year over year). Global macro headwinds—including tariff uncertainty, geopolitical tensions, and tighter liquidity—constrained leverage-driven private capital flows. However, VC/growth activity was supported by longer investment horizons, reset valuations, improved exit visibility through public markets, and sustained confidence in India’s macroeconomic and regulatory environments.
- **Deal volumes expanded meaningfully, led by strong growth in small- to mid-ticket deals** (<\$50 million), as investors backed early-conviction opportunities across AI/generative AI, consumer tech, and fintech. Scaled deals (\$250+ million) doubled, increasing from four to eight in 2025.
- **Average deal value increased, driven by a rebound in large-ticket transactions** (\$100+ million) as scaled companies—particularly in software/SaaS and fintech—returned to the market, raising larger late-stage rounds (compared to 2021–22). This dynamic is driving the next phase of growth and returning average deal sizes to 2023 levels.



Figure 2: VC/growth funding in India rose to ~1.2x of 2024 levels, in line with the funding trend in the broader Asia-Pacific region and China

Overview of global VC/growth investments (\$B)



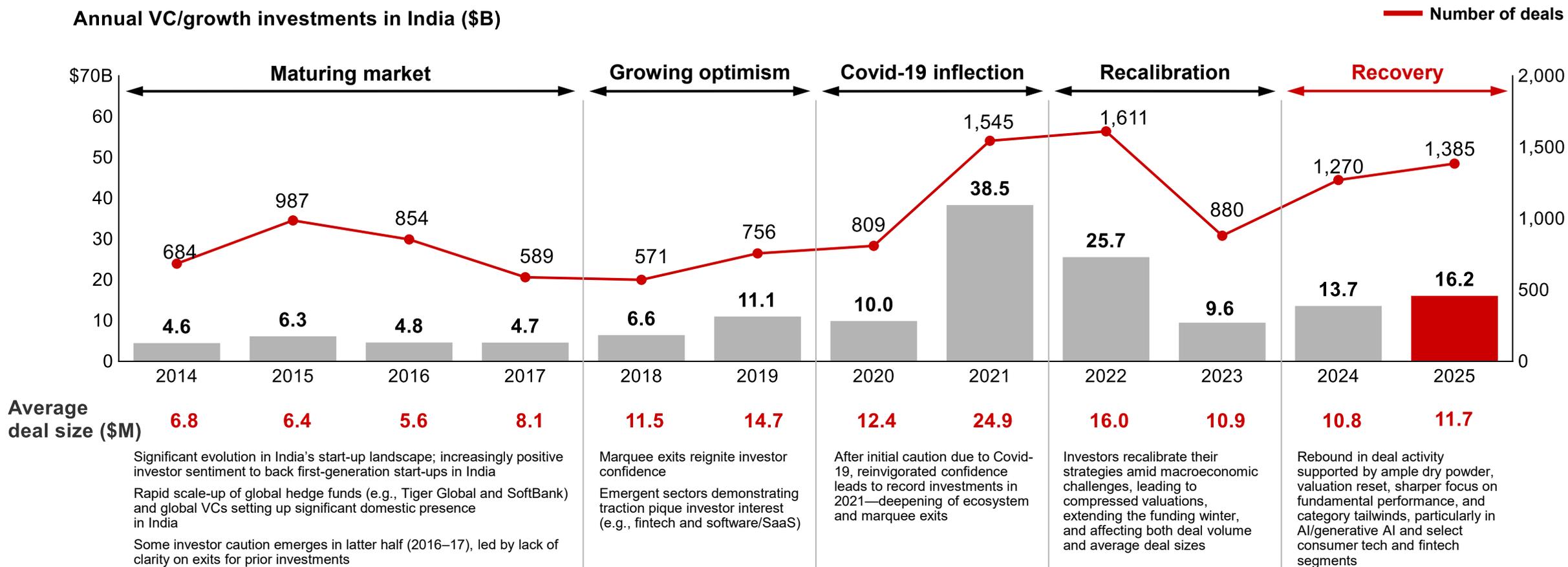
India investments overview

Continuity in India's VC/growth activity: VC/growth investments saw their second year of growth, rising from ~\$10B to ~\$16B over 2023–25, led by investor confidence in regulatory and macroeconomic conditions and a boost in public market exits.

India's share in Asia-Pacific VC/growth deployment rose to ~20% (up ~2 pp YOY); however, global share slipped by ~1 pp to ~3%, owing to a sharper rise in deployments in the US (~1.8x).

Notes: All investment figures include real estate and infrastructure deals; USD-INR conversion rates in respective years considered; investment value and volume excludes undisclosed deal value transactions; VC is venture capital; pp is percentage points
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

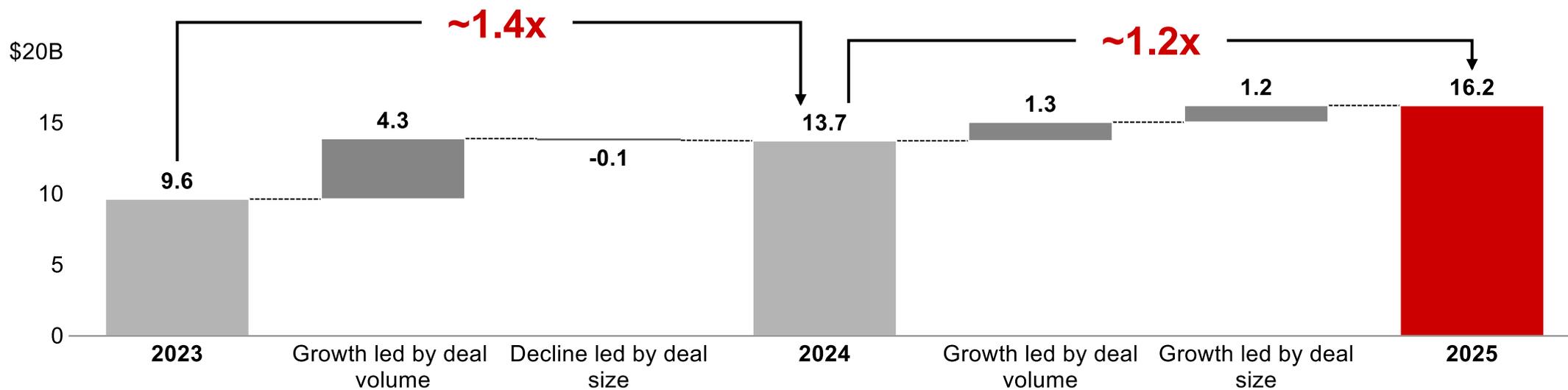
Figure 3: Deal activity continued its upward trajectory with ~18% growth, building on the recovery seen in 2024



Notes: Excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; VC is venture capital
 Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Figure 4: VC/growth deal activity acceleration was balanced across deal volumes and average deal sizes (~1.1x each) vs. volume-led growth in 2024

Annual VC/growth investments in India (\$B)

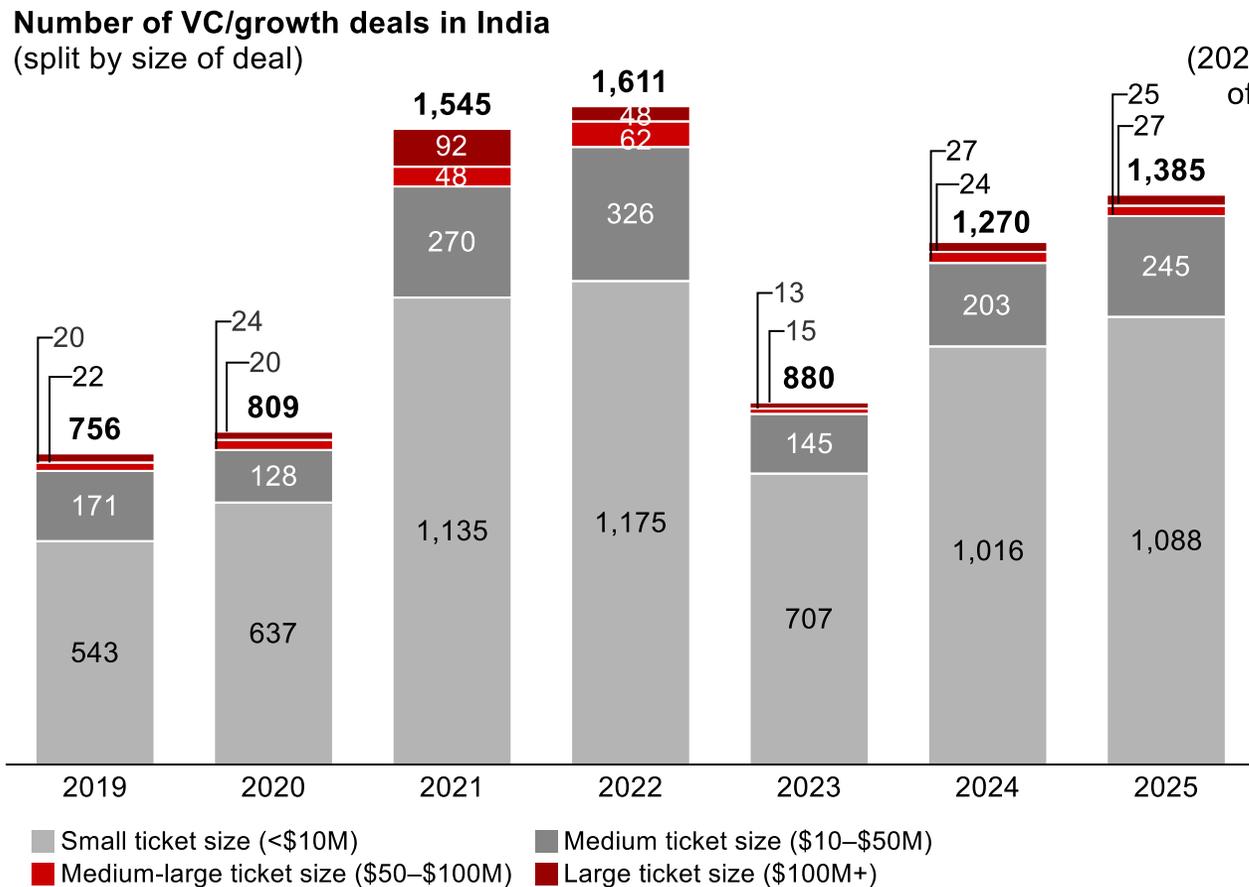


Number of deals	880	~1.4x	1,270	~1.1x	1,385
Average deal value	~\$10.9M	~1.0x	~\$10.8M	~1.1x	~\$11.7M

Notes: Average deal size excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; VC is venture capital
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

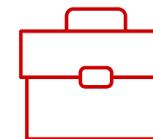
Figure 5: Deal volume growth was led by transactions under \$50M as investors continued to back emerging new-age business and models across sectors

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



Deal trend (2025 as multiple of 2024 deals)

1.1x
1.0x
1.2x
1.1x

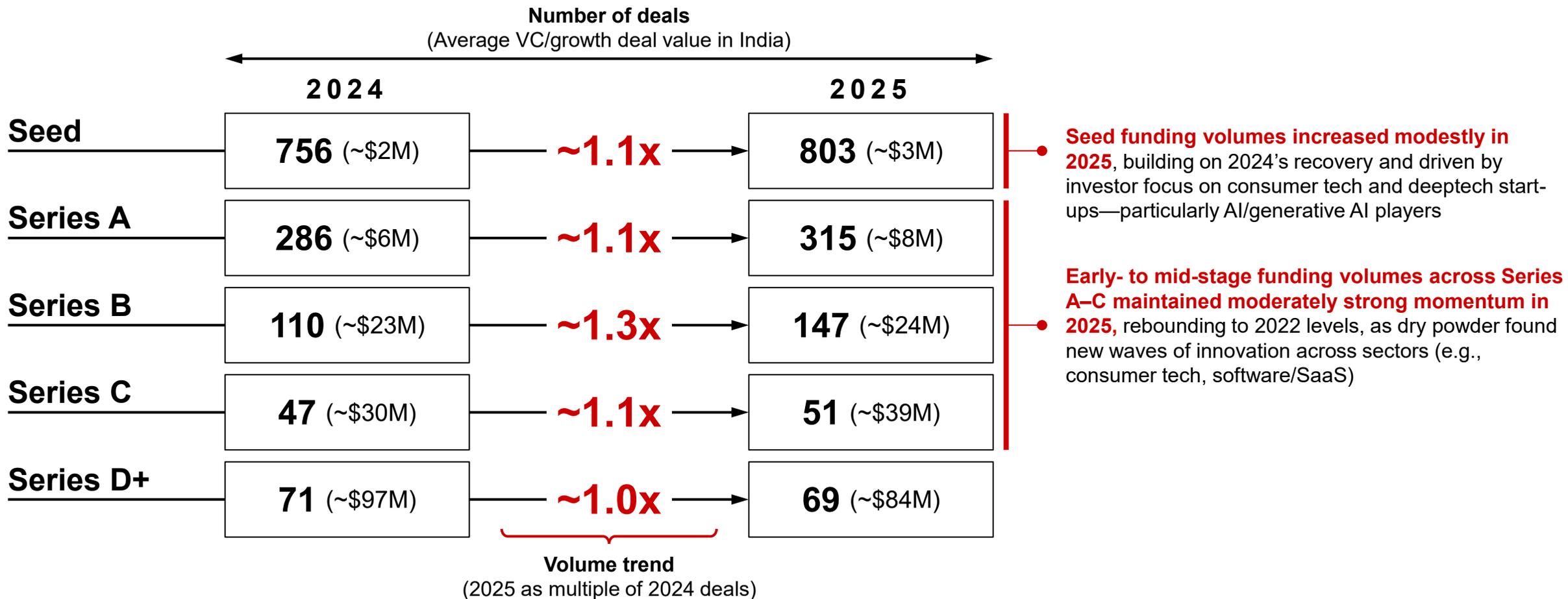


Deal activity at the top end (\$50M+) held steady, while small to midsize deal activity (<\$50M) drove growth

Growth spanned across sectors, each with distinct themes that drew investor attention—consumer tech (e.g., vertical Q-commerce), fintech (e.g., wealth tech), and software/SaaS (e.g., AI/generative AI-native vertical applications)

Notes: All investment figures include real estate and infrastructure deals; USD-INR conversion rates in respective years considered; investment value and volume excludes undisclosed deal value transactions; VC is venture capital; Q-commerce is quick commerce; SaaS is software-as-a-service | Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Figure 6: Early- to mid-stage deal volumes saw greater expansion in 2025 compared to late stage



Notes: Series D+ includes Series D to Series K; average deal size excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; VC is venture capital; SaaS is software-as-a-service
Sources: Bain & Company; PitchBook



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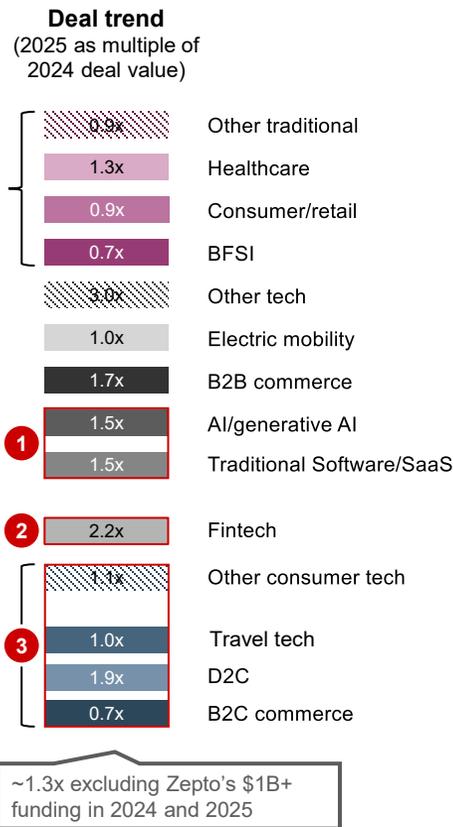
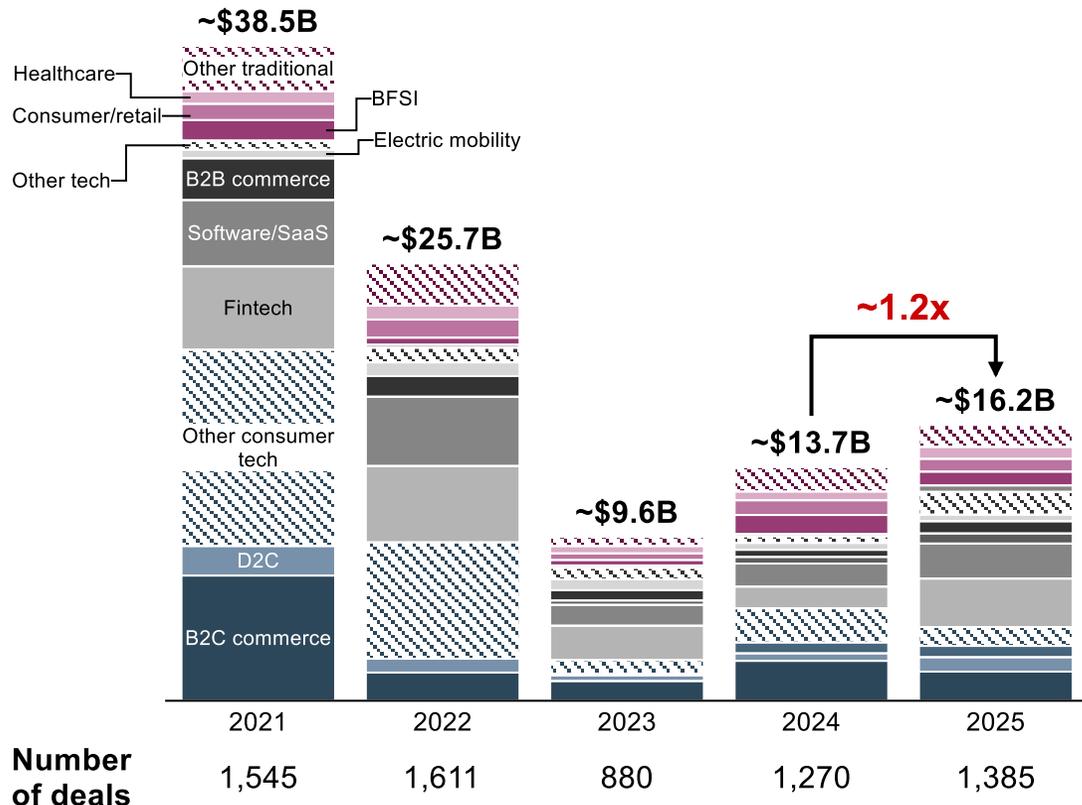
Key investment
themes in 2025

- **In 2025, VC/growth funding remained largely concentrated in consumer tech, fintech, and software/SaaS.** Fintech and SaaS gained momentum through an uptick in larger headline deals, while consumer tech funding softened slightly without the surge of the mega-deals that drove activity in 2024.
- **Despite fewer mega-deals relative to 2024, consumer tech remained structurally robust in 2025,** closing the year with meaningfully higher deal activity than in 2023. Growth in Q-commerce business models continued, with a focus on verticalized platforms. Scaled D2C brands continued to attract investor interest, backed by established demand, improving margins, and clearer paths to profitability.
- **Fintech funding rebounded sharply (approximately 2.2x year over year).** Payments and wealthtech drove growth, enabled by deeper DPI adoption (e.g., Unified Payments Interface enabled low-cost, real-time payments at scale and consent-based data sharing for faster onboarding). Investor preferences shifted toward models with predictable monetization, such as wealthtech, compared to payment models with limited monetization opportunities in the core offering. Within wealthtech, traction was strongest among platforms targeting the emerging mass and mass affluent segments, supported by rising financial literacy, goal-based savings adoption, and asset-specific offerings.
- **Software/SaaS maintained a strong growth trajectory in 2025,** supported by AI and generative AI tailwinds. There was a resurgence of large fund-raises by scaled companies, which raised fresh capital to fund AI-led product evolution and geographic expansion following prior rounds in 2020–22.



Figure 7: Investors had strong appetites for VC/growth for fintech and software/SaaS, while fewer mega-deals tempered consumer tech deal flow

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

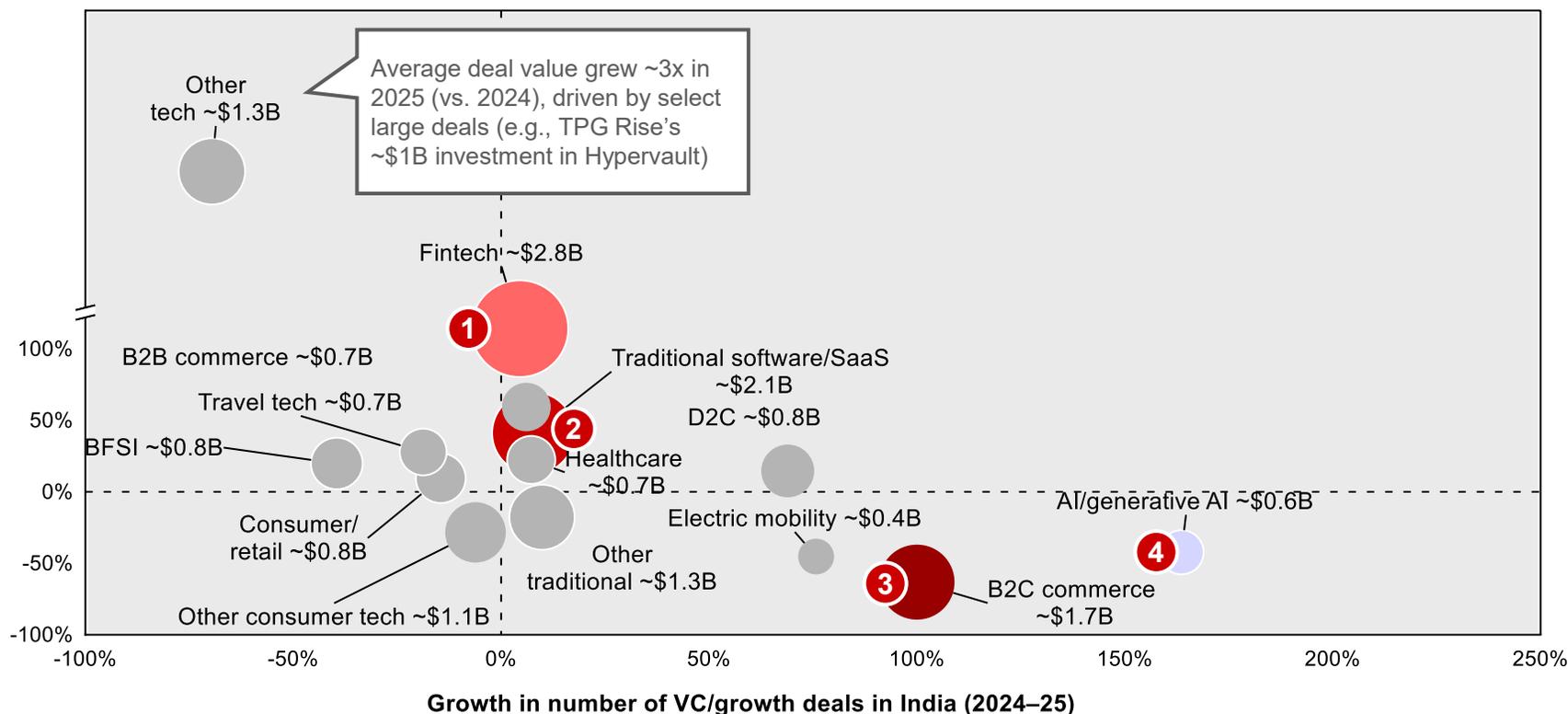


- Software/SaaS (including AI/generative AI) saw ~1.5x YOY funding momentum** as SaaS incumbents returned to market to accelerate generative AI pivots and geographic expansion alongside rising traction for AI/generative AI-native B2B companies across infrastructure and application layers
- Fintech investments grew to ~2.2x in 2025**, driven primarily by wealthtech and select deals in payments. Strengthening DPI, increased investor focus on models with proven economics, and mass/mass affluent-focused savings and investment adoption drove growth in wealthtech
- Consumer tech funding moderated vs. 2024 but grew ~25% YOY vs. 2023**, led by a pickup in vertical Q-commerce in 2025 (particularly across fashion, food delivery, and baby care). D2C brands also saw strong momentum driven by growing consumer demand and improved economics

Notes: Other consumer tech includes edtech, gaming, proptech, foodtech, logistics tech, healthtech, and social media/content; other tech includes agritech, IT and IT-enabled services, and climatetech; other traditional includes energy, shipping and logistics, and education; D2C refers to direct-to-consumer brands with majority of revenue coming from online channels; USD-INR conversion rates in respective years considered; BFSI is banking, financial services, and insurance; D2C is direct to consumer; DPI is digital public infrastructure; SaaS is software-as-a-service; Q-commerce is quick commerce; VC is venture capital | Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 8: Fintech and software/SaaS growth reflected a tilt toward larger transactions, while AI/generative AI and B2C sectors expanded via deal volume

Growth in average VC/growth deal value in India (2024–25) *Bubble size represents the total deal value in 2025*



- 1 Fintech saw strong movement in average deal value in 2025**, with large value deals (five \$100M+ deals in 2025 vs. two in 2024) across payments (PhonePe: \$600M), lending (Snapmint: \$125M), and wealthtech (Groww: \$205M) segments
- 2 Average deal size increased in traditional software/SaaS (~1.4x vs. 2024)**, driven by sizable investments in companies with strong international GTM and AI/generative AI-led pivots (e.g., Darwinbox, MoEngage, Innovaccer)
- 3 B2C commerce saw ~2x increase in deal volumes (~30 to ~60)** over 2024–25, primarily led by deals in Q-commerce—especially verticalized Q-commerce, with 20+ deals in 2025 vs. one deal in 2024
- 4 AI/generative AI-native saw high growth in deal volumes** with investor focus shifting toward infrastructure and application-based players vs. foundational players, where early revenue traction and clearer monetization models (e.g., usage or contract-based pricing) are emerging (e.g., BFSI, healthcare)

Notes: Fintech includes payments, wealthtech lending, and other fintech; other consumer tech includes edtech, gaming, proptech, foodtech, logistics tech, healthtech, and social media/content; other tech includes agritech, IT and IT-enabled services, and climatetech; other traditional includes energy, shipping and logistics, and education; USD-INR conversion rates in respective years considered; D2C refers to direct-to-consumer brands with majority of revenue coming from online channels; BFSI is banking, financial services, and insurance; D2C is direct to consumer; SaaS is software-as-a-service; GTM is go-to-market; Q-commerce is quick commerce; VC is venture capital | Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 9: 2025 marked a rebound in fintech activity and continued momentum in software/SaaS, especially across emerging themes such as AI/generative AI

Resilience persists in small and mid-ticket consumer tech transactions

Consumer tech



~25%

Funding growth in <\$100M consumer tech deals vs. 2024

~20x

Vertical Q-commerce funding growth vs. 2024

Resurgence in fintech activity

Fintech



~2.2x

Funding growth in fintech deals vs. 2024

~9x

Mass-focused wealthtech funding growth vs. 2024

Continued momentum in software/SaaS, especially in AI/generative AI

Software/SaaS



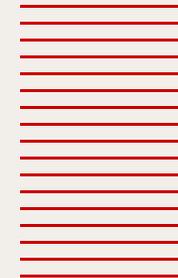
~1.5x

Funding growth in traditional software/SaaS vs. 2024

~70%

AI/generative AI-native application funding growth vs. 2024

Note: Q-commerce is quick commerce; SaaS is software-as-a-service | Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn



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What we are seeing in quick-commerce today is more than just speed. The real momentum is in how vertical platforms are formalizing supply chains and solving pain points. Speed unlocks demand, but long-term value comes from reliability, curated assortment, and tech-led supply chain innovation. That’s why we have backed founders who are building beyond generic on-demand delivery and tackling large addressable markets with category-specific focus.

LIGHTSPEED

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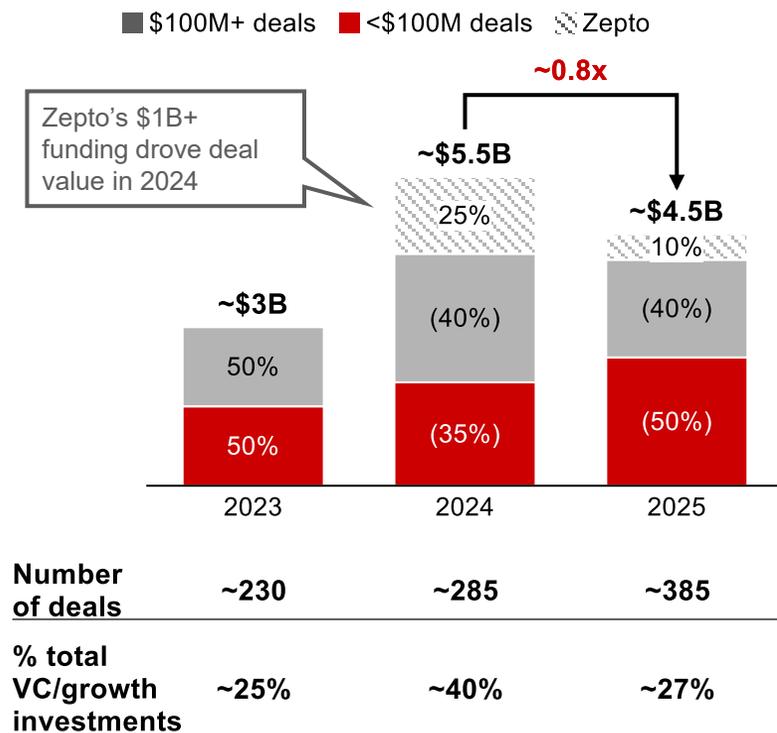
India’s AI opportunity sits in two places. First, layering AI on top of our Digital Public Infrastructure—identity, payments, and consent-based data rails—to create intelligent services that can deliver real outcomes for millions of people, from financial access to healthcare and education. Second, building global companies that own outcomes end-to-end. In an AI-native world, the real moat isn’t just software or workflows—it’s delivering the outcome itself.

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Figure 10: Consumer tech saw strong deal volume momentum with ~35% growth, primarily driven by medium-ticket deals in D2C and B2C commerce

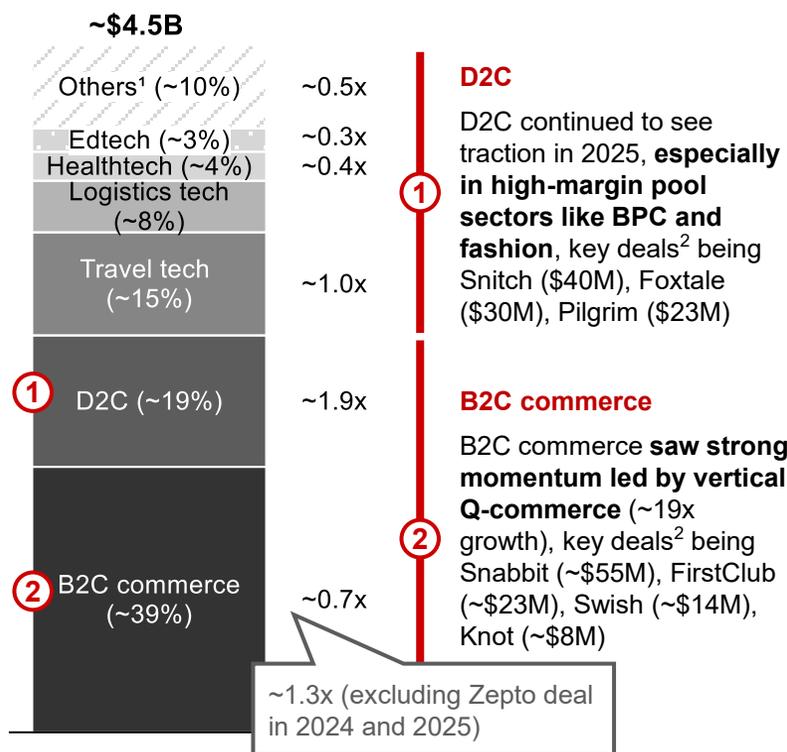
Funding overview

Annual VC/growth investments in India (Consumer tech focused, \$B)



Sectoral overview

Investment split across segments (2025, \$B, vs 2024)



Momentum drivers

- **Premiumization and cohort expansion** continued to drive demand, with rising incomes, Gen Z adoption, and deeper Tier 2+ penetration, increasing frequency and order density
- **Innovation across affordability, access, and discovery unlocked scale**—broader price points, faster delivery, richer assortments, and AI-led discovery (image, voice, vernacular)
- **D2C playbooks matured**, with funding concentrated behind repeat-led growth, disciplined CAC, multichannel reach, and predictable contribution margins

Future outlook

- Investor interest in consumer tech is likely to persist, especially toward segments that have **demonstrated sustained behavior change and scalable monetization**, particularly Q-commerce and D2C
- **Consumer tech is poised for growth**, driven by India's **attractive market dynamics**, including **favorable demographics** (40%+ of the population is younger than 25), **rapid digital adoption, growing consumption (~7% over FY 2025–26)**, and sustained indicators of demand potential (only 20%–25% of Internet users shop online)

(1) Others include mobility tech, gaming, property tech, and consumer tech, excluding B2B, agritech, etc.; (2) Illustrative high-value deals in the category

Notes: Investment value and volume excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; D2C refers to direct-to-consumer brands with majority of revenue coming from online channels; BPC is beauty and personal care; Q-commerce is quick commerce; CAC is customer acquisition cost; D2C is direct to consumer; VC is venture capital | Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Tracxn; RBI

Figure 11: Verticalized Q-commerce emerged as a key theme, attracting investor funding with curated, category-led assortments enabling superior discovery

Vertical Q-commerce funding



~20x

Funding growth
(~\$150M vs. ~\$8M in 2024)



20+

Companies raised funds



~25%

share of overall quick commerce funding in 2025

Key VC/growth deals (funds raised in 2025)

	Food delivery	FirstClub (~\$23M)	Swish (~\$14M)	
	Baby care	Ozi (~\$3M)	Peeko (~\$3M)	Snooplay (~\$1M)
	Fashion	Slikk (~\$13M)	Zilo (~\$5M)	Knot (~\$8M)
		Zulu Club (<\$1M)	Tryo (<\$1M)	
	Home services	Snabbit (~\$55M)	Pronto (~\$13M)	
	Medicines	Plazza (~\$1.5M)		
	Construction	Homerun (~\$2M)		

Momentum drivers

- Vertical Q-commerce gained traction as **category-focused platforms offer deeper assortment and better unit economics vs. horizontal players** (e.g., AOV for an apparel Q-commerce platform is 1.5x–2x higher vs. horizontal platforms)
- Further, **tighter end-to-end supply chain improved stock availability and delivery speed**, making operations efficient

Investor considerations

- Is the addressable market sufficiently large** across categories or concentrated in select high-frequency use cases?
- Are the individual categories structurally positioned for sustainable unit economics**, with high-demand density and repeat behavior (e.g., construction has limited repeat rate and fragmented demand)?
- Is the value proposition distinctive enough** to sustain competition from incumbents (e.g., Myntra, Nykaa)?

Notes: Investment value and volume excludes undisclosed deal value transactions; Q-commerce is quick commerce; AOV is average order value; VC is venture capital
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 12: B2C generative AI applications remain at an early stage of development, though they are beginning to gain traction for select use cases

AI/generative AI has unlocked multiple value pools in B2C

Themes	Value proposition	Illustrative deals
Upskilling	Affordable, personalized tutoring at scale, expanding access beyond metro/elite learners	SpeakX (~\$16M) and Stimuler (~\$4M): AI-powered English tutoring app
AI companion	Always-on, personalized support at minimal cost, increasing engagement and improving decision making	Rumik AI (~\$7M): Emotionally intelligent AI companions August AI (~\$3M): Health companion
Content creation	Reduced creation time and cost, enabling higher output per user	Phot AI (~\$3M): Photo editing platform Presentation AI (~\$3M): AI-led presentation creation
Shopping experience/entertainment	Personalized discovery and visualization in real time, driving higher engagement and conversion	RoomStory AI (<\$1M): Enables users to explore designed spaces and purchase items

AI-driven transformation is elevating upskilling in India

How gen AI is changing the upskilling landscape	Gen AI can help resolve access and supply constraint issues ; provide learning at lower cost ; and enable personalization to create custom learning milestones	
Momentum drivers	<ul style="list-style-type: none"> Structural demand across customer cohorts—students, workforce, and hobbyists (e.g., languages) Early monetization and retention signals with AI-driven cost reset and improved willingness to pay via micro-subscription models 	
Key VC/growth deals (funds raised in 2025)	SpeakX (~\$16M)	Stimuler (~\$4M)
	ZuAI (~\$2M)	SuperNova (~\$4M, 2024)

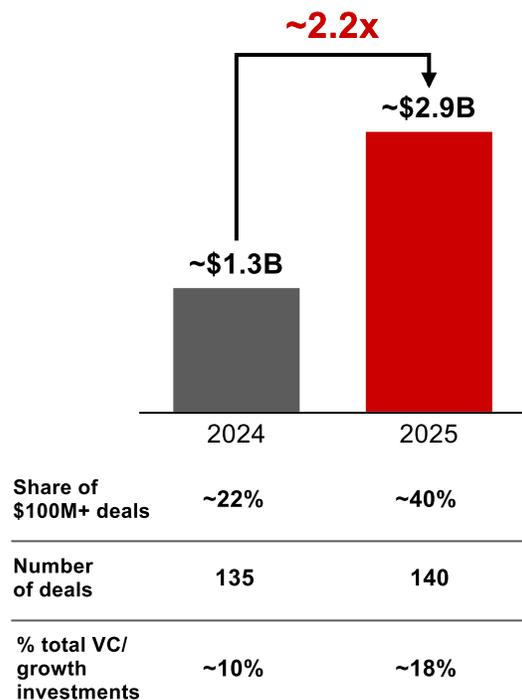
B2C gen AI-native applications in India remain at an early stage of maturity. Most use cases are still in the process of establishing product–market fit, with monetization models largely unproven. While initial traction is emerging, investors continue to monitor the ability to scale sustainably and demonstrate defensible unit economics.

Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 13: Fintech had strong rebound in 2025, with a 2.2x rise in deal value, primarily driven by key high-value deals

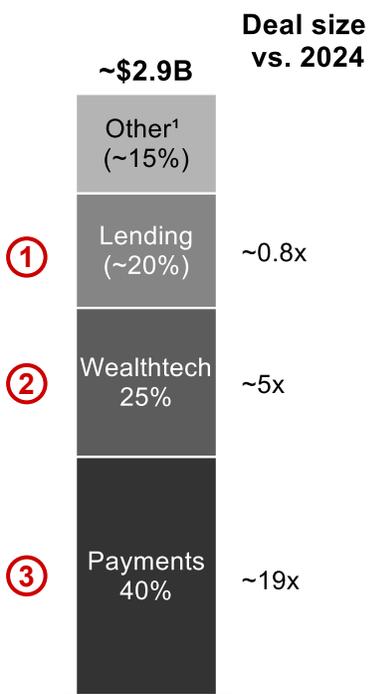
Funding overview

Annual VC/growth investments in India (Fintech focused, \$B)



Sectoral overview

Investment split across segments (2025, \$B)



- ① New lending models are emerging as **alternatives to traditional credit cards**, such as (a) EMI/credit on UPI—Snapmint (\$125M) and (b) FD-backed cards—Rupicard (\$13M)
- ② Wealthtech saw traction across **customer segments and asset classes**, driven by increased retail participation, **higher digital and financial literacy, and formalized savings**. Deal value grew by ~5x vs. 2024, with key deals in Groww (~\$205M), Dhan (~\$120M), and Smallcase (~\$50M)
- ③ Growth **primarily driven by select large deals**, such as PhonePe (~\$600M), Cred (~\$75M), and Juspay (~\$60M), reflecting investor preference for scaled platforms with established market positions

Momentum drivers

- After muted outcomes in digital lending and neobanks, fintech saw **investor interest in newer models** (e.g., alternatives to traditional credit cards) **with proven economics** (e.g., disciplined CAC/LTV, positive contribution margins) **and defensible value creation** (regulatory moats, distribution scale)
- Capital deployment remained skewed toward **category leaders**, especially across **late-stage and pre-IPO** investments in platforms such as PhonePe and Groww

Future outlook

- **AI-led use cases in automating core financial workflows**, such as **underwriting, fraud detection, compliance, and collections**, and servicing along with personalization solutions (e.g., in wealthtech) **are likely to attract investor interest**
- With **DPI scaling further** (e.g., UPI, account aggregators) and **increasing regulatory oversight**, investors are expected to continue focusing on business models with clear, repeatable monetization and toward “picks and shovels” intermediaries (e.g., compliance, payments, data infrastructure) that underpin the ecosystem

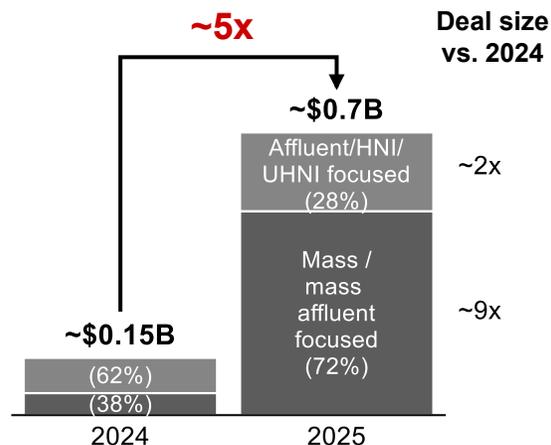
(1) Other includes insurtech, neobanks, and fintech infrastructure

Notes: USD-INR conversion rates in respective years considered; CAC is customer acquisition cost; LTV is lifetime value; EMI is equated monthly installment; UPI is unified payment interface; FD is fixed deposit; DPI is digital public infrastructure; VC is venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Tracxn; RBI

Figure 14: Wealth management for mass/mass affluent-focused segment saw traction, with rising incomes and higher digital adoption

Funding overview

Annual VC/growth investments in India
(Wealthtech [fintech] focused, \$B)



Share of \$50M+ deals	0%	57%
Number of deals	18	30
% overall fintech deal value	11%	18%

Key VC/growth deals (funds raised in 2025)

1 Mass/mass affluent-focused segment

Focus on catering to currently underserved segments, with micro savings emerging as a key proposition to inculcate savings habits among first-time investors

Investment platforms	Groww (~\$205M)	Dhan (~\$120M)	Smallcase (~\$50M)
Micro savings platforms	Gullak (~\$8M)	Bachatt (~\$4M)	
Asset-specific platforms	Stable Money (~\$20M)	Wint Wealth (~\$13M)	

2 Affluent/HNI/UHNI-focused

Focus on hyper-personalization and adviser-led propositions vs. standardized, self-serve offerings

Syfe (~\$80M)	Dezerv (~\$40M)
Capitalmind (~\$15M)	Wealthy (~\$15M)

Momentum drivers

- **Rising income in India's mass/mass affluent-focused segment** is driving a shift in household savings toward formal financial assets
- **Acceleration of tech-led platforms** driven by high costs and limited personalization in people-led delivery
- In parallel, **Aadhaar/UPI-led digital rails have materially reduced customer friction.** This enables profitable access to previously hard-to-serve segments

Investor considerations

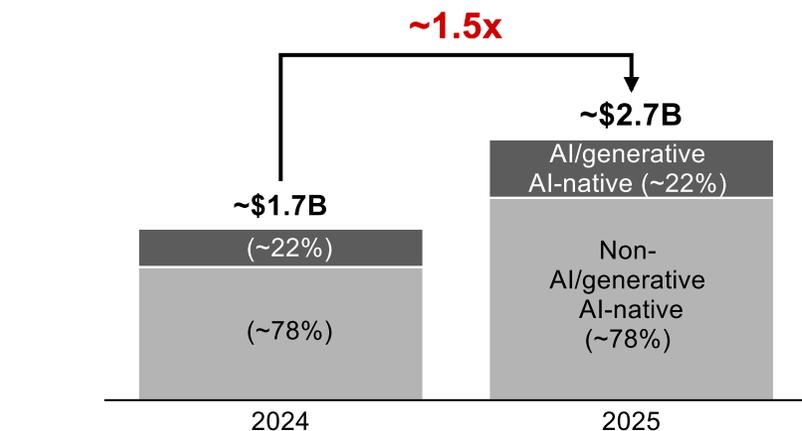
- **Will scale drive profitability and sustainable unit economics?**
- **Is the addressable market large enough** for asset- or product-specific models (e.g., FD marketplaces)?
- **Is AI adoption in wealth management in line with evolving regulatory expectations?**
- How sensitive is the **monetization model to changes in taxation or regulatory norms?**

Notes: Investment value and volume excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; HNI is high net worth individual; UHNI is ultra high net worth individual; UPI is unified payment interface; FD is fixed deposit; VC is venture capital
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 15: Software/SaaS deal activity grew as funding chased generative AI-led innovation and incumbents' broadening geographies

Funding overview

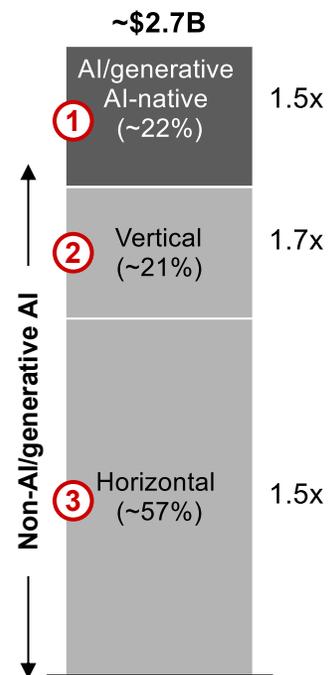
Annual VC/growth investments in India (Software/SaaS focused, \$B)



Number of deals	190	255
% total VC/growth investments	~13%	~17%
Share of \$50M+ deals value	~40%	~50%

Sectoral overview

Investment split across segments (\$B, 2025 vs. 2024)



1 AI/generative AI-native deal volume grew (~2.5x vs. 2024), especially with an uptick in applications (~6x deal volume vs. 2024) as enterprise use cases matured beyond pilots with clearer ROI and monetization

2 In addition to the sizable Innovaccer deal (\$275M, ~50% of vertical software/SaaS funding), 2025 saw an uptick in smaller vertical-focused deals (e.g., Mintoak, DPD Zero, Rapid Claims in BFSI; Gokwik, Graas in e-commerce enablement; Attentive AI, Track3D in construction)

3 Growth was driven primarily by select large deals (Uniphore: \$260M; MoEngage: \$180M; Darwinbox: \$140M) as companies scaled AI-integrated product offerings and expanded geographically

Momentum drivers

- Software/SaaS momentum strengthened as **mature SaaS companies returned to market with AI-enabled product upgrades** and **strong green shoots in global markets** (e.g., Innovaccer with AI copilots, MoEngage with AI agents, Darwinbox in international geos)
- Further, AI/generative AI-native companies saw enhanced investor interest on the back of **faster enterprise uptake, clearer monetization pathways, and higher willingness to pay among customers**

Future outlook

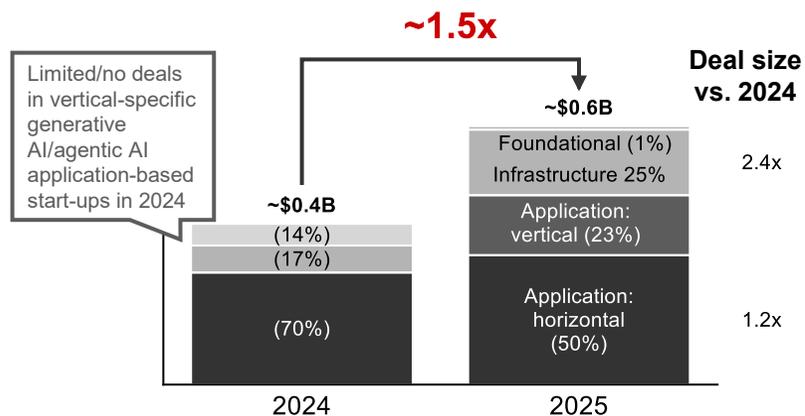
- Investors are expected to **evaluate AI resilience across software/SaaS, focusing on a company's ability to monetize AI** while retaining control over core data, workflows, and human-in-the-loop value pools. Resilience is expected to hinge on position in the stack—control of the system of records, interoperability with agent layers, and ownership of the outcome interface
- **Government-led deeptech initiatives** (e.g., IndiaAI Mission, BharatGen, AIKosh) are expected to **strengthen the supply of new assets, supporting venture activity**

Notes: Investment value and volume excludes undisclosed deal transactions; USD-INR conversion rates in respective years considered; SaaS is software-as-a-service; VC is venture capital; BFSI is banking, financial services, and insurance
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 16: AI/generative AI funding surged across application-based and infrastructure players

Funding overview

Annual VC/growth investments in India (AI/generative AI-native (Software/SaaS), \$B, 2025 vs. 2024)



Number of deals	33	87
Salience % (of SaaS)	~22%	~22%
Share of \$50M+ deals	~40%	~20%

Notes: Investment value and volume excludes undisclosed deal value transactions; USD-INR conversion rates in respective years considered; SaaS is software-as-a-service; VC is venture capital
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Momentum drivers

Foundational

Core AI models and platforms enabling downstream solutions



Limited funding traction driven by **structurally high and recurring investment requirements** in compute, proprietary data, and specialized talent, **concentrating funding among a small set of scaled players**

Infrastructure

Middleware and tooling supporting AI development, deployment, integration



While AI-native infrastructure has continued to attract strong VC interest, increasing standardization, especially in agent and application layer, is likely to compress differentiation and lower barriers to entry

Applications

End-user solutions delivering business outcomes via AI



Captured a **disproportionate share of funding** by delivering faster, ROI-visible outcomes—particularly through vertical, workflow-embedded use cases

/ NON-EXHAUSTIVE

Key players

	Assessli (~\$5M)	Gibran (~\$2.5M)	
Agent and app development	Composio (~\$25M)	Emergent (~\$23M)	
AI security	Singulr AI (~\$10M)		
Memory layer	Mem0 (~\$24M)		
AI deployment and ops infra	TrueFoundry (~\$19M)	Kluisz AI (~\$10M)	
Memory layer	Arintra.ai (~\$21M)	GreyLabs (~\$10M)	Confido (~\$10M)
AI deployment and ops infra	SpotDraft (~\$54M)		

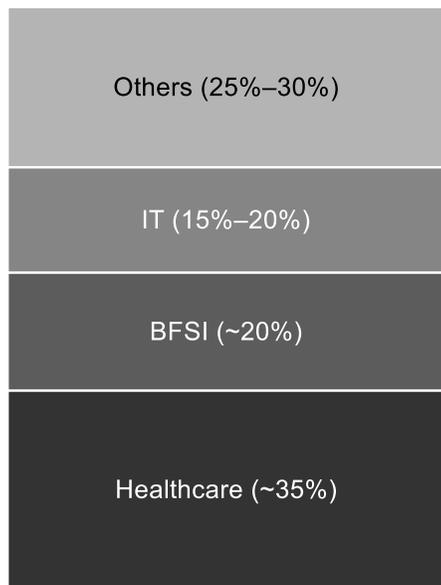
Figure 17: Within AI/generative AI-native vertical application companies, BFSI and healthcare have seen investment traction across 3 key automation themes

/ NON-EXHAUSTIVE

Funding overview

Annual VC/growth investments in India (AI/GenAI-native vertical applications, \$B, 2025)

~\$0.14B



Voice-led automation

Shift from conversational pilots to production-scale automation, with voice agents owning high-volume workflows end to end

BFSI

Voice has moved from customer support augmentation to mission-critical collections, servicing, and recovery workflows, where scale, compliance, and ROI are measurable

GreyLabs
(~\$10M)

Smallest
(~\$8M)

Fundamento
(~\$2M)

Healthcare

Voice automation has been adopted as a front-door and continuity-of-care layer, reducing operational burden while improving patient engagement

Pype AI
(~\$1M)

Confido
(~\$10M)

Document and compliance management

Shift from digitizing documents to embedding gen AI directly into compliance and decision workflows

Increased use cases in automation of credit documentation, underwriting support, and regulatory compliance, directly reducing turnaround time and operational risk

OnFinanceAI
(~\$4M)

Neurofin (~\$2M)

Logic Flo
(~\$3M)

HealthPlix
(~\$22M, 2023)

Workflow automation

From efficiency tools to AI systems directly embedded in core systems (e.g., revenue, payroll, operations)

AI-led automation of tasks to improve workforce productivity (e.g., automating IB-grade research for framing investment memos)

Pascal AI Labs
(~\$3M)

Arintra.ai
(~\$21M)

MedMitra
(~\$0.4M)

Notes: Investment value and volume excludes undisclosed deal value transactions; BFSI is banking, financial services, and insurance; IB is investment banking; VC is venture capital | Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge; Tracxn

A photograph of a cityscape viewed through a decorative window. The window has a scalloped, shell-like opening. The architecture is ornate, with blue and white tilework and intricate carvings. The city below is densely packed with buildings, and the sky is a clear, pale blue.

4

Investor base and
fund-raising

- **India’s VC/growth funding landscape consolidated in 2025**, with capital increasingly concentrated among established investors. The share of leading VCs and PE/growth funds rose approximately 5 percentage points to 40% of total VC/growth investments.
- **Leading VC platforms increased participation in the \$10–\$50 million funding band.** This shift reflected confidence in backing companies at the inflection point between product validation and scaled execution while maintaining discipline on check sizes and valuation risk. VC firms such as Accel, Peak XV, Elevation, Lightspeed, Z47, and Nexus shifted focus from small-ticket checks to medium-ticket deals across fintech, SaaS, consumer tech, and AI-led platforms.
- **At the top end of the market, PE and growth equity investors sustained momentum in \$50+ million rounds**, extending trends from 2024. Large checks continued to target proven platforms with clearer paths to scale, profitability, and exit.
- **Fund-raising rebounded sharply, reaching approximately \$5.4 billion in 2025 (roughly double 2024 levels)**, driven by a surge in \$100+ million funds and a 35% increase in average fund size. Capital formation was led by established managers rather than first-time funds, signaling limited partners’ preference for proven teams amid improving exit visibility.
- **While VC and early-stage funds in India have taken longer to return capital** compared to funds in the US/Europe (30%–40% longer for funds to distribute 1x+ of invested capital), structuring of exits as planned liquidity events is expected to shorten capital recycling timelines
- **Thematic focus sharpened** across both new and existing funds, with deeptech, AI, space, and climate emerging as dominant themes. These trends are exemplified by coordinated initiatives such as the \$1 billion India Deep Tech Alliance.

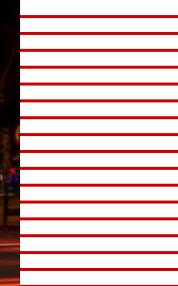
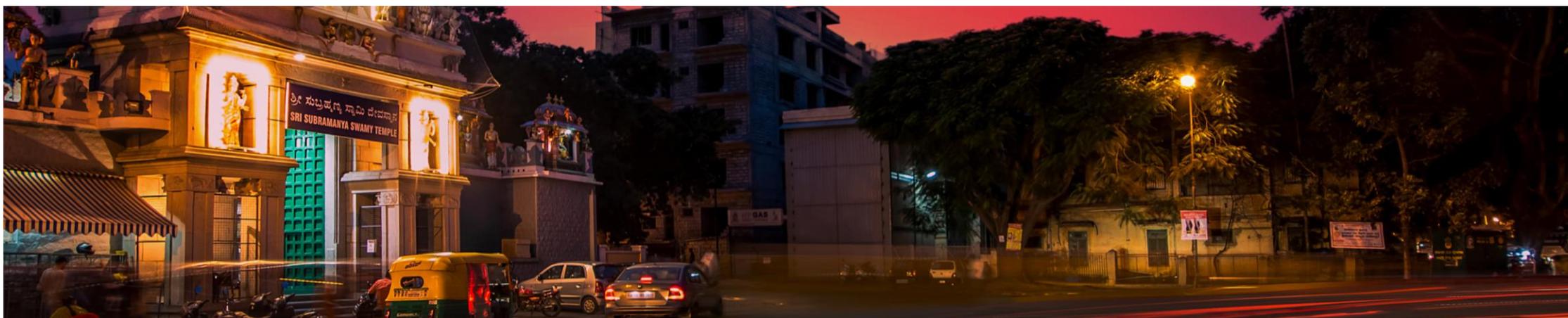
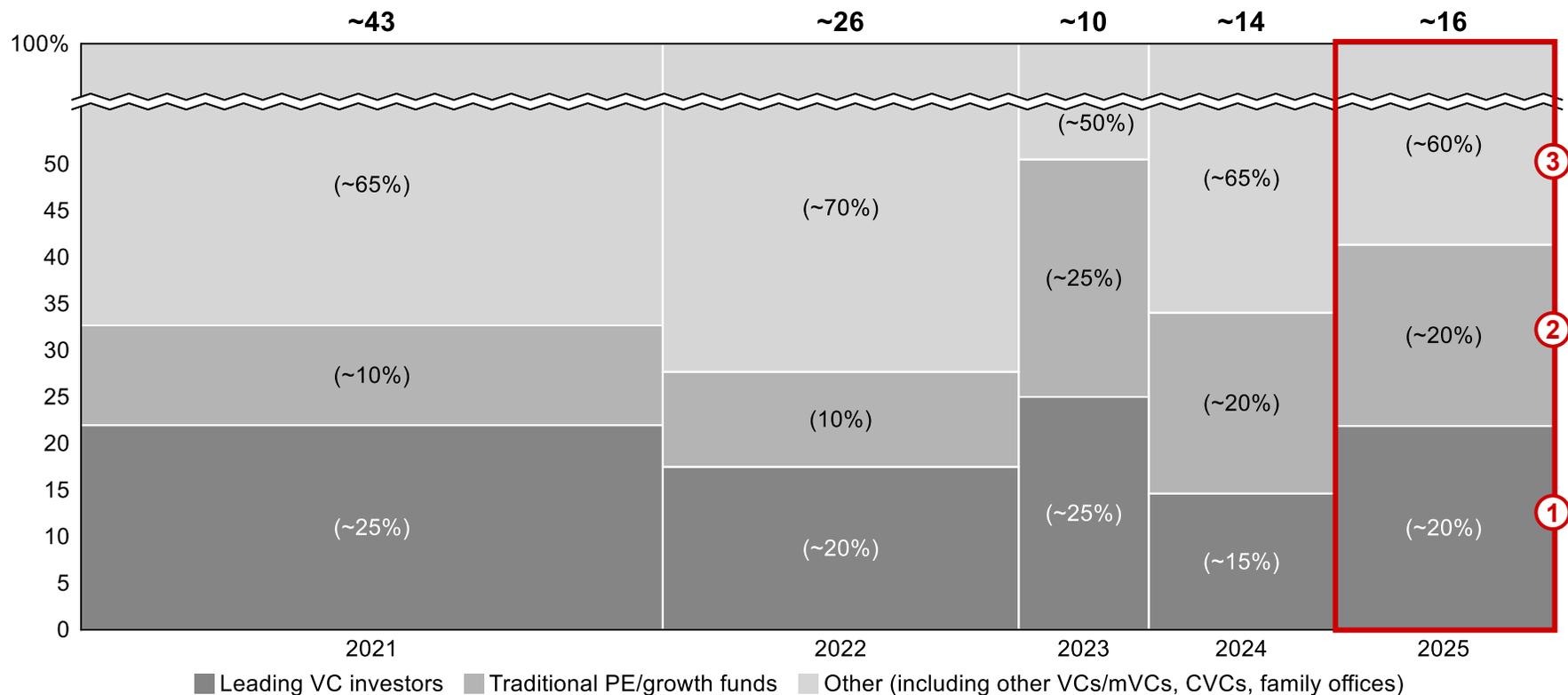


Figure 18: 2025 saw leading VCs and growth investors deploying a greater share of capital in India, accounting for ~40% of VC/growth investments

Annual VC/growth investments in India
(\$B, split by investor archetype)



1 Leading VCs increased their footprint in deal activity (~20% share vs. ~15% in 2024), driven by higher concentration of medium-ticket deals, (\$10–\$50M transactions rose from ~50 in 2024 to ~70 in 2025)

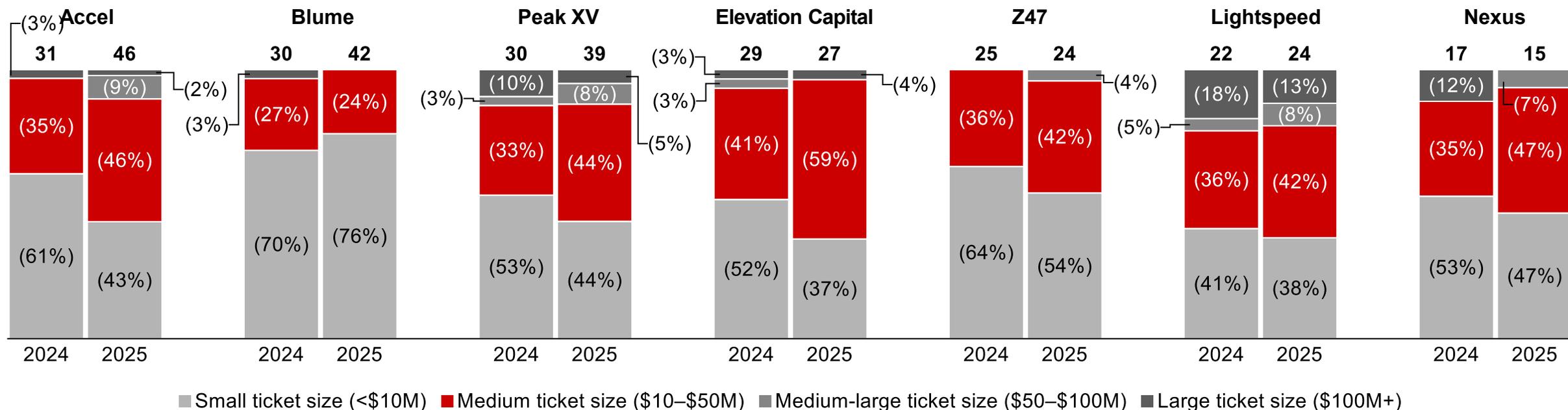
2 Traditional PE firms/growth funds held steady in 2025, with activity primarily focused on consumer tech, software/SaaS, and fintech deals, especially in scaled tech platforms with proven unit economics and a clear path to profitability (e.g., Porter, Zepto, PhonePe, Groww)

3 Among other investor archetypes, CVCs and family offices continued gaining share (20%+ of overall deal value), focusing the majority of their deal volumes on smaller ticket sizes (70%–75% of deal volumes under \$10M)

Notes: Leading VC investors defined as top firms by deal activity over last five years (\$1B+ deployed and 35+ deals or \$500M+ deployed and 50+ deals). The list for 2025 includes Peak XV, Accel, Lightspeed India Partners, Elevation Capital, Nexus Ventures, Z47, Norwest Ventures, Tiger Global, Alpha Wave, and Blume Ventures; USD-INR conversion rates in respective years considered; CVC is corporate venture capital; mVC is micro venture capital; PE is private equity; SaaS is software-as-a-service; VC is venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Tracxn

Figure 19: Many leading VCs shifted focus from small-ticket checks, prioritizing participation in medium-ticket (\$10–\$50M) deals

Number of VC deals for select¹ leading investors² in India (split by overall deal size)

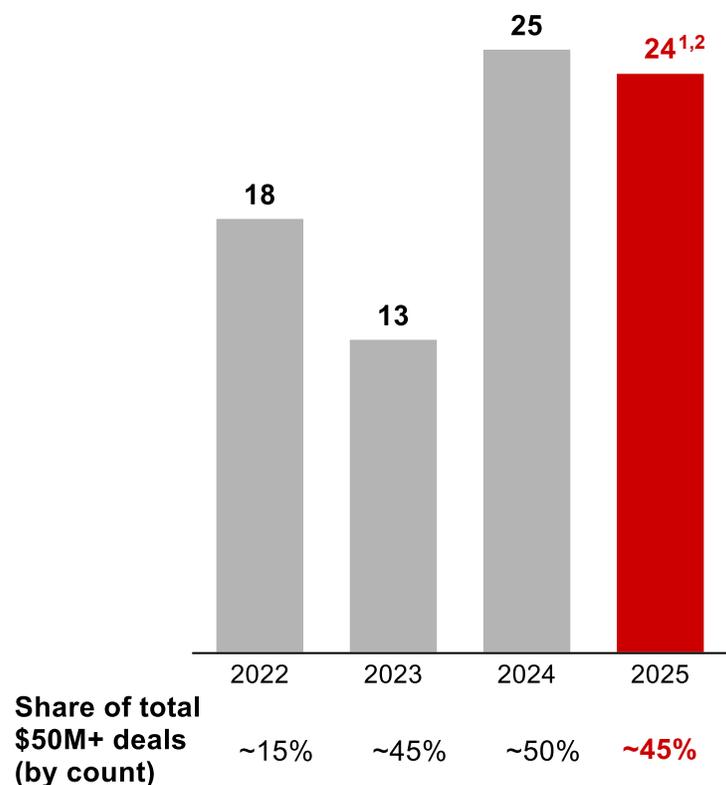


Leading VC/growth investors increased activity in \$10–\$50M funding segment; select examples: **Accel:** Zolve Innovations, Swish; **Peak XV:** Leap Finance, TrueFoundry, The Whole Truth; **Elevation Capital:** Scapia, Snabbit, Cellcure; **Lightspeed:** Tessel, Seekho, Stable Money

(1) Includes investors with 10+ disclosed deals in 2025; (2) Leading VC investors defined as top firms by deal activity over last five years (\$1B+ deployed and 35+ deals, or \$500M+ deployed and 50+ deals)
 Note: Not all bars may add to 100% due to rounding; USD-INR conversion rates in respective years considered; VC is venture capital
 Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Figure 20: PE/growth fund participation in \$50+ million deals continued momentum from 2024

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



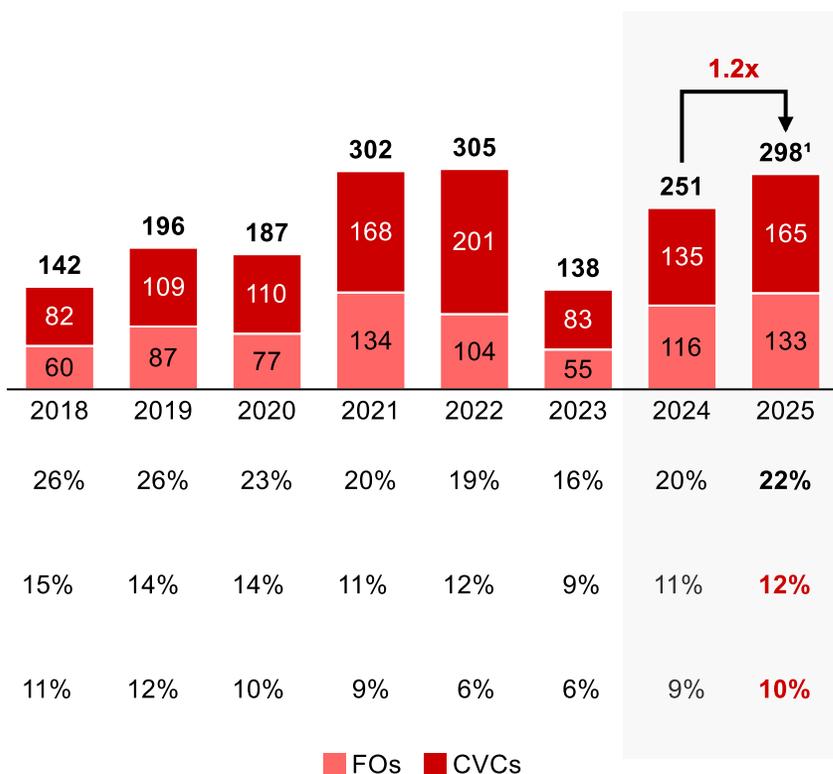
Select growth equity deals with participation from PE/growth funds in 2025

Company	Investors (PE/growth funds, others)	Domain	Total deal value
PhonePe	General Atlantic	Fintech	~\$600M
Zepto	California Public Employees' Retirement System, Avenir Growth Capital, Lightspeed Venture, Glade Brook Capital, StepStone Group, Nexus Venture Partners, General Catalyst	Consumer tech	~\$450M
Porter	Kedaara Capital, Vitruvian Partners, Wellington Management	Consumer tech	~\$310M ¹
MoEngage	ChrysCapital, A91 Partners, Goldman Sachs Alternatives, Dragon Fund, TR Advisors, B Capital	Software/SaaS	~\$280M ²
Groww	GIC, Iconiq Capital	Fintech	~\$200M
Darwinbox	Partners Group, KKR, Gravity Holdings	Software/SaaS	~\$140M
Snapmint	General Atlantic, Prudent Investment Managers, Kae Capital, Elev8 Venture Partners	Fintech	~\$125M
Dhan	Hornbill Capital, MUFG Bank, Beenext, DSP Family Office	Fintech	~\$120M
Cred	GIC, Sofina SA, RTP Global, QED Innovation Labs	Fintech	~\$75M
Juspay	Kedaara Capital, Softbank Vision, Accel India	Fintech	~\$60M

(1) Porter raised \$310M over two rounds in 2025, which is counted as two separate deals in the chart; (2) MoEngage raised \$280M over two rounds in 2025, which is counted as two separate deals in the chart
Note: Deals with smaller PE participation may not be included; examples above are illustrative and not exhaustive; GIC is Singapore's sovereign wealth fund; USD-INR conversion rates in respective years considered; PE is private equity; SaaS is software-as-a-service
Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Figure 21: FOs and CVCs saw a ~1.2x increase in deal activity, capturing highest share of overall deal activity since 2021

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



Illustrative FO and CVC deals² in 2025

FOs		
Company	FO	Total deal value ³
Groww	ICONIQ Capital	~\$205M
Weaver	Premji Invest	~\$170M
Dhan	DSP Family Office	~\$120M
Renee	Mirabilis Investment Trust	~\$30M
Incred Money	Mankind Family Office	~\$30M

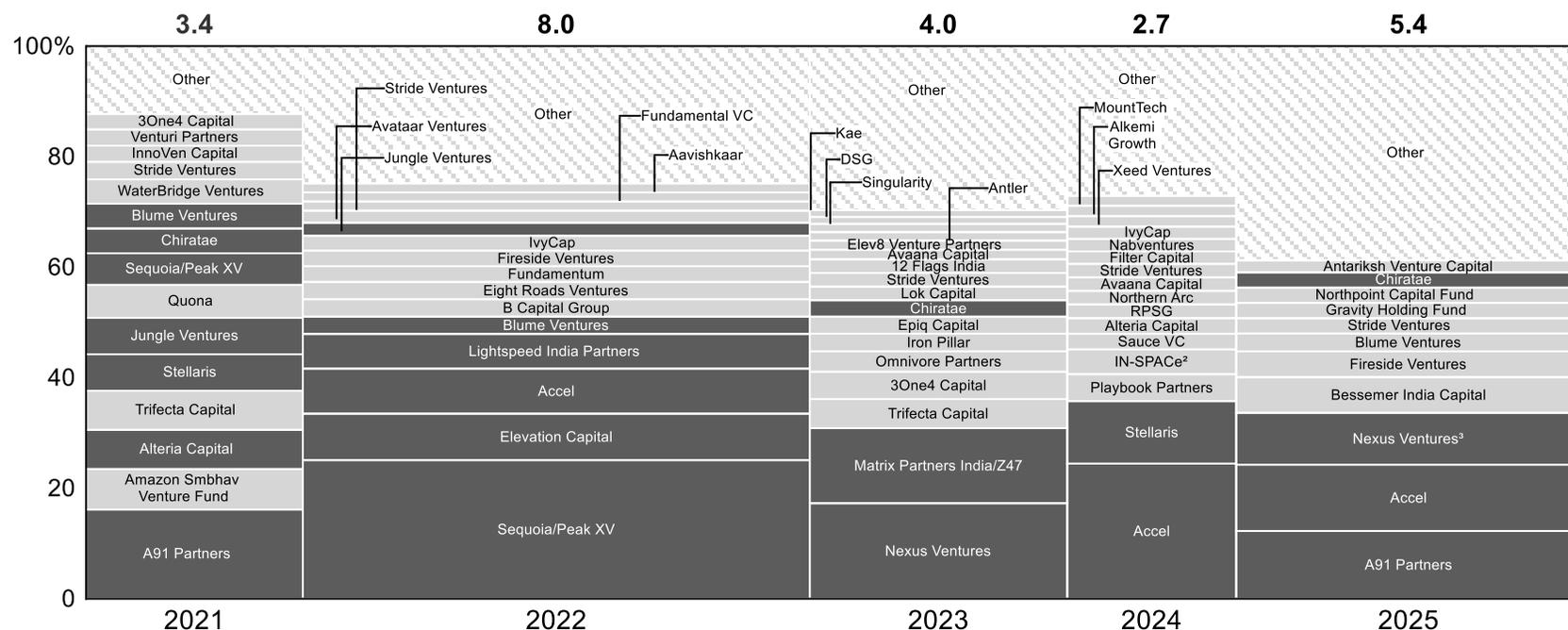
CVCs		
Company	CVC	Total deal value ³
Innovaccer	Danaher Ventures	~\$275M
Uniphore	Snowflake Ventures	~\$260M
Jumbotail	SC Ventures	~\$120M
NetraDyne	Qualcomm Ventures	~\$90M
TMRW	ServiceNow Ventures	~\$50M

(1) Fifteen deals had both CVC and FOs involved; (2) Does not include strategic investments directly undertaken by corporations or their holding companies; (3) Indicates total deal amount (respective FO/CVC may have a smaller participation)
 Notes: USD-INR conversion rates in respective years considered; CVC is corporate venture capital; FO is family office; VC is venture capital
 Sources: Bain & Company; PitchBook; Venture Intelligence; AVCJ; VCCEdge

Figure 22: Fund-raising doubled to ~\$5.4 billion in 2025, driven by an increased number of \$100+ million raises

India-focused/allocated fund-raises by VCs¹ (\$B, split by investors)

Does not include global fund-raises that may eventually invest in India assets



■ Top investors (based on funds raised between 2020 and 2024)

(1) Includes funds raised by global or domestic VC/growth that are exclusively earmarked for India; values comprise closed fund-raises including interim closes—target corpus could be larger in size; global or regional funds raised by investors not included; (2) VC fund established by the government of India under IN-SPACe (Indian National Space Promotion and Authorization Centre) for the space sector in India in 2024; (3) Nexus Ventures is categorized as a domestic VC/growth fund due to its India-focused portfolio; (4) Includes first funds raised by domestic VCs, Indian arms of global VCs, and VC arms of other investment agencies—amount includes amount raised in 2025

Notes: USD-INR conversion rates in respective years considered; VC is venture capital | Sources: Bain & Company; Venture Intelligence; AVCJ

Key insights

Fund-raising rebounded sharply after a brief slump over 2023–24 as top investors returned, led by improved exit visibility and rising conviction in scalable and innovative business models

35%+ increase in average size of fund raised, from ~\$50M to ~\$68M, driven by increase in volume of \$100M+ fund-raises (18 in 2025 vs. 4 in 2024)

Capital raised by domestic funds increased to ~\$4B (vs. ~\$2B in 2024); notable domestic fund-raises include A91’s \$650M+ and Nexus’s \$500M+

Maiden fund⁴ launches increased 3x to 45 in 2025 (vs. 15 in 2024), with thematic funds continuing to gain traction across deeptech, climate, consumer tech, etc.

Thematic focus of funds extended beyond maiden funds. **India Deep Tech Alliance** was formed by a consortium of VC and corporate funds with ~\$1B commitment to invest in deeptech, AI, and semiconductor assets

Figure 23: 2025 saw strong fund-raising activity, led by fresh capital raised by existing funds and domestic thematic momentum



Among the global VCs, Accel and Bessemer raised \$300+ million in India-focused funds in 2025



Domestic VCs mirrored the momentum, with 14 \$100+ million raises as larger vehicles returned to market



Thematic focus sharpened across several domestic VCs, with large fund-raises for deeptech/AI, climate, robotics, spacetech

\$650M

Accel India VIII

\$650M+

A91 Emerging Fund III

\$500M+

Nexus Ventures VIII

\$115M+

Antariksh Venture Capital Fund—spacetech

\$100M+

Yali Deeptech Fund I— aerospace, AI, and robotics

\$350M+

Bessemer India Capital Holdings II

\$250M+

Fireside Fund IV

\$175M

Blume Ventures Fund V

\$100M

Endiya Partners Fund III—industrial tech, healthcare and life sciences

\$90M+

Unicorn India Fund III—spacetech, climate, and agritech

Note: VC is venture capital | Sources: Bain & Company; Venture Intelligence; AVCJ



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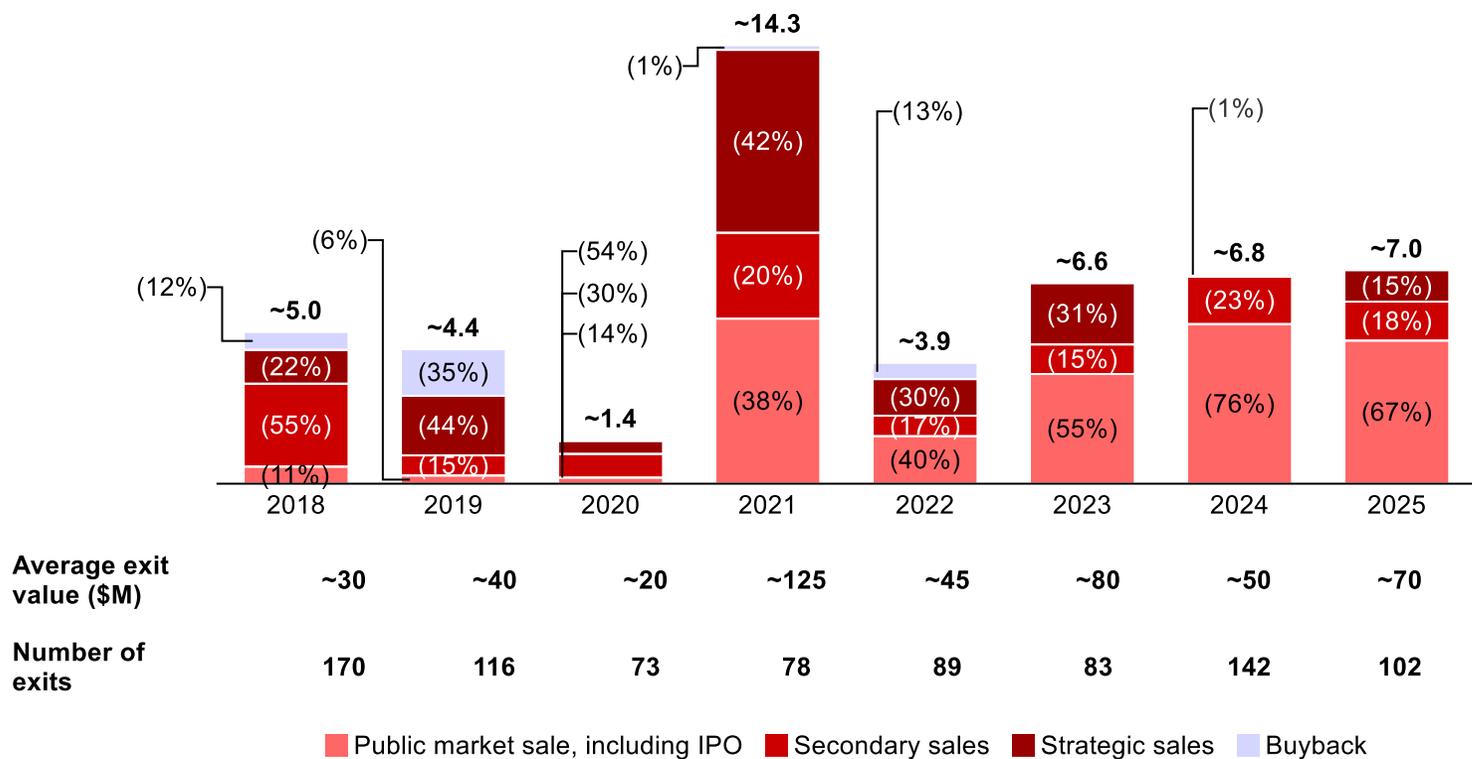
Perspectives on
exit landscapes

- **Exit activity remained resilient in 2025, with overall value holding steady despite shifts in exit mix.** A sharp rebound in strategic sales offset a modest decline in secondary exits and public trades.
- **Consumer tech and fintech continued to anchor the exit landscape, together accounting for more than 60% of total exit value.** Fintech emerged as a fast-growing exit sector, with exit value up approximately 70% year over year, driven largely by strong public market performance and large public trades.
- **IPOs remained a central exit pillar, gaining further share in overall exit value.** IPO activity was supported by favorable regulatory reforms and improving equity market performance. Momentum is expected to continue into 2026, backed by a deep pipeline of VC-backed companies.
- **Strategic exits rebounded sharply to \$1+ billion (approximately 15 times more than 2024), led by fintech, consumer tech, and advanced manufacturing services.** Buyers prioritized faster execution, valuation certainty, and assets offering clear synergy and capability-building potential.



Figure 24: Exit activity held steady over 2024–25 as declines in public trades and secondary sales were offset by a rise in strategic sales

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



Public market exits (~1.3x of 2024 value)

Public market exits remained the dominant exit route in 2025, accounting for over 65% of exit value, driven by a higher number of \$100M+ IPOs¹ (5 in 2025 vs. 2 in 2024). In contrast, non-IPO public market exits declined by ~30%, as investors deferred other public trades amid ongoing market volatility and prioritized liquidity events with better price discovery

Secondary sales (~0.8x of 2024 value)

Dip in secondary exits driven by fewer \$100M+ exits (4 deals in 2025 vs. 7 in 2024); Prataap Snacks, Porter, Tessolve, and MoEngage were notable deals in 2025

Strategic sales (~15x of 2024 value)

Strategic sales rebound was primarily driven by (1) 4 key ~\$100M exits across consumer tech, fintech, and AMS, and (2) higher average exit value for <\$100M deals (~\$27M vs. ~\$7M in 2024)

Buybacks

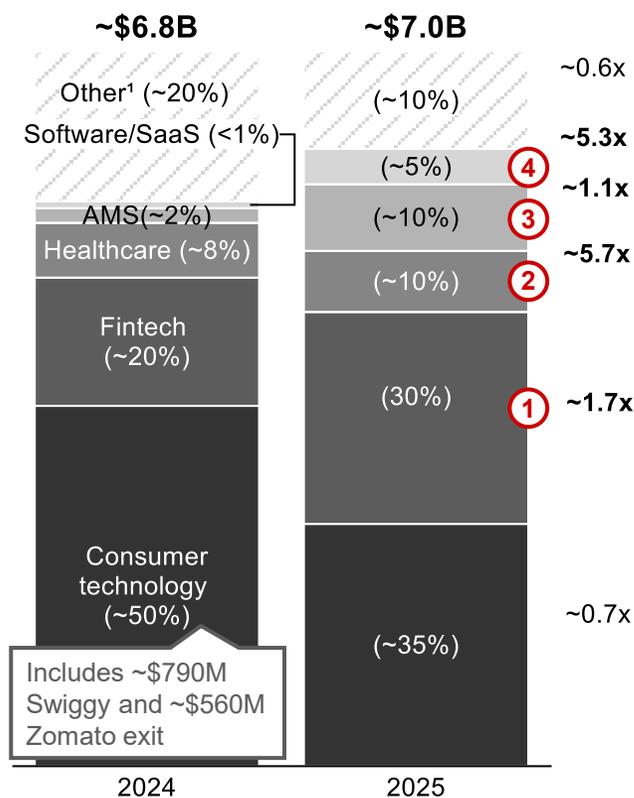
Buybacks stayed negligible as founders conserved cash (similar to 2024), reflecting a continued focus on liquidity over stake repurchases

(1) Only IPOs with VC/growth exits considered for the analysis

Notes: Exits with undisclosed deal amounts have not been included; exit volume and value include only companies listed in India or those with most of their workforce based in India; USD-INR conversion rates in respective years considered; IPO is initial public offering; VC is venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin

Figure 25: Consumer tech and fintech continue to be salient domains, accounting for 60%+ of exits share

Value of VC/growth exits in India (Split by sectors, \$B)



Illustrative key deals with VC/growth exits in 2025 in sectors that saw an uptick

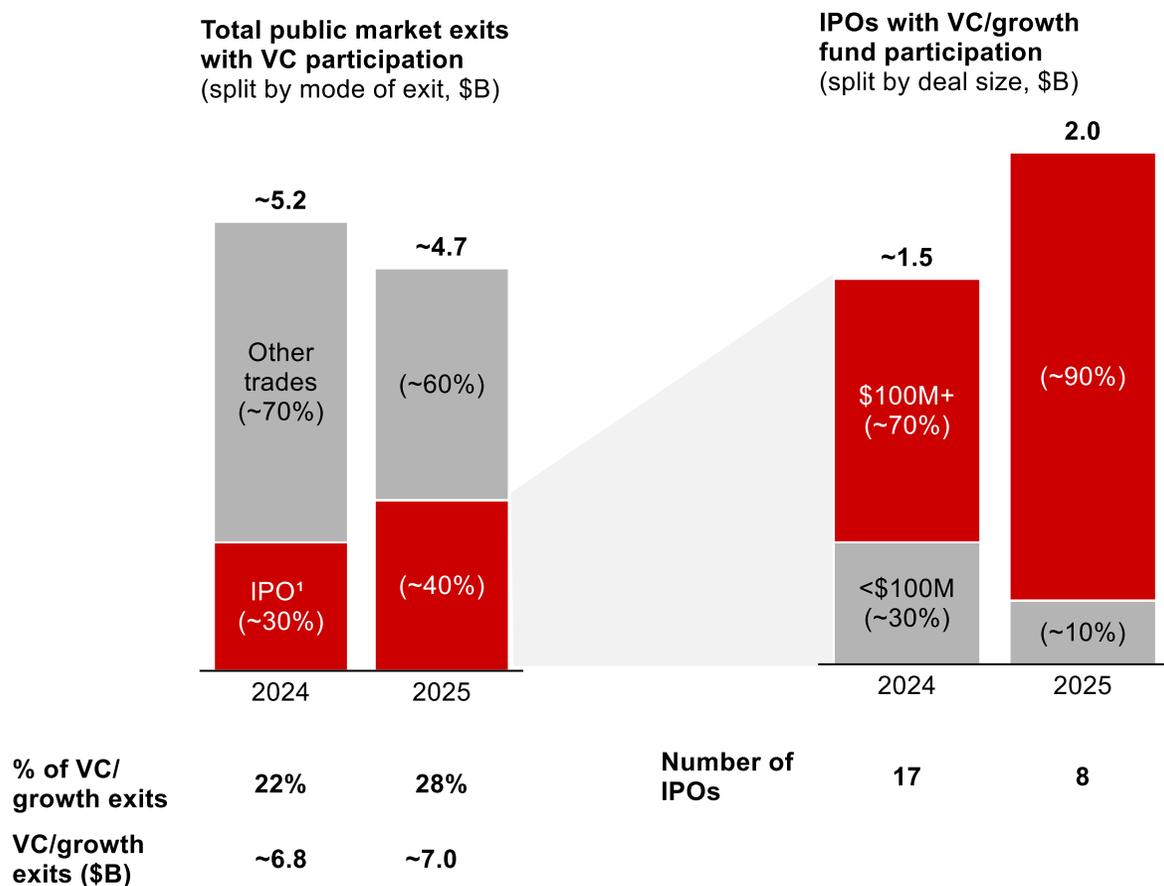
<p>① Fintech</p> <p>~70% growth in fintech exit value, driven by strong public market activity</p>	<p>Groww (~\$670M)</p> <p>Peak XV Partners, Tiger Global, Alkeon Capital</p>	<p>Paytm² (~\$900M)</p> <p>Antfin [Alibaba], Elevation Capital</p>
<p>② Healthcare</p> <p>~10% exit salience driven by select high-value exits (\$100M+) despite lower exit volume</p>	<p>Dr. Agarwal's Health Care (~\$255M)</p> <p>Temasek, TPG Growth</p>	<p>Sai Life Sciences (~\$175M)</p> <p>TPG Growth</p>
<p>③ AMS</p> <p>~10% exit salience primarily led by 2 key \$100M+ exits and higher average exit size in <\$100M exits</p>	<p>Kinara AI (\$300M+)</p> <p>Tiger Global, General Catalyst, Exfinity Fund</p>	<p>Ather Energy³ (\$200M+)</p> <p>Tiger Global, NIIF</p>
<p>④ Software/SaaS</p> <p>~5x increase in exit value, supported by late-stage funding rounds for scaled platforms</p>	<p>MoEngage (~\$180M)</p> <p>Z47, Eight Roads, Helion Venture Partners</p>	<p>Freshworks (~\$50M)</p> <p>Peak XV Partners</p>

■ IPO
 ■ Public trade
 ■ Secondary sale
 ■ Strategic sale

(1) Other includes BFSI, Consumer/Retail, Energy, Engineering & Construction, IT & ITeS, Media & Entertainment, RE and Infra, shipping and logistics; (2) For Paytm, Alibaba's exit via public trade was in two rounds, ~\$250M and ~\$470M respectively, and Elevation Capital's exit via public trade was ~\$180M; (3) There were two public trade exits from Ather Energy, Tiger Global (~\$140M) and NIIF (~\$60M)

Notes: USD-INR conversion rates in respective years considered; AMS is Advanced Manufacturing Services; BFSI is banking, financial services, and insurance; SaaS is software-as-a-service; VC is venture capital | Sources: Bain & Company; Venture Intelligence; AVCJ; VCEdge; Preqin; RBI

Figure 26: Salience of IPOs in VC/growth exits sustained momentum driven by high share of \$100+ million exits (~90% share in 2025 vs. ~70% in 2024)



Key IPOs with VC/growth exits in 2025

Company	Sector	Key exiting investors (non-exhaustive)	Exit value
Groww	Fintech	Peak XV Partners, Tiger Global, Alkeon Capital	~\$670M
Lenskart	Consumer tech	Kedaara Capital, Chiratae Trust, Alpha Wave Ventures	~\$475M
Dr. Agarwal's Healthcare	Healthcare	Temasek, TPG Growth	~\$255M
Urban Company	Consumer tech	Elevation Capital, Tiger Global, Accel	~\$170M
Pine Labs	Fintech	Temasek, Peak XV Partners, Invesco	~\$165M
Bluestone	Consumer/retail	Kalaari Capital, Accel, Iron Pillar	~\$85M
Meesho	Consumer tech	Elevation Capital, Peak XV Partners, VH Capital	~\$85M
Wakefit	Consumer tech	Peak XV Partners, Paramark Ventures	~\$75M

(1) Only IPOs with VC/growth exits considered for the analysis

Notes: Public market sales with VC participation include public market exits where the seller/exiting investor is a VC; examples above are illustrative and not exhaustive; USD-INR conversion rates in respective years considered; VC is venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange; PitchBook

Figure 27: IPOs have seen continued momentum due to favorable structural reforms and expanding retail participation, with a strong 2026 pipeline

Policy reforms supporting IPO ecosystem

Shortened timelines



Aug 2023

With SEBI's 2023¹ move to a T+3 listing cycle, IPO timelines shortened materially, reducing time to market, improving visibility on listing outcomes, and enhancing capital efficiency for issuers

Longer early investor/ founder holding periods



Sep 2025

Extension of timelines to achieve minimum public shareholding: 2 additional years for 15% threshold and 3–5 additional years for 25% threshold, easing IPO compliance requirements and allowing founders and early investors to maintain higher ownership during the value creation phase

Expanded anchor and institutional participation



Sep 2025

Anchor investor allocation increased from 33% to 40%, enabling greater participation from mutual funds, insurers, and pension funds, alongside streamlined foreign institutional access (e.g., SWAGAT-FI²), strengthening stable institutional ownership

Strong domestic macroeconomic conditions

Robust GDP growth supporting capital markets

Strong GDP growth (~7.5% for FY 2026E vs. ~6.5% for FY 2025), driven by resilient domestic demand, reinforced investor confidence and supported sustained capital market activity (Sensex and Nifty increasing by ~10% in 2025)

Surging retail participation in equity markets

Retail investor participation expanded sharply, with Demat accounts successively increasing in the last 3 years and crossing ~210M in 2025 (~185M in 2024 and ~140M in 2023), along with ~1.2x YOY increase in retail deployment in equity market

Deepening domestic capital markets and wealth creation

Rising participation from insurers and institutional investors (DII equity inflows were ~\$90B in 2025 vs. ~\$63B in 2024), reflecting a deeper and more resilient capital pool

IPO momentum is expected to sustain into 2026, supported by a deep and maturing pipeline of scaled, VC-backed companies

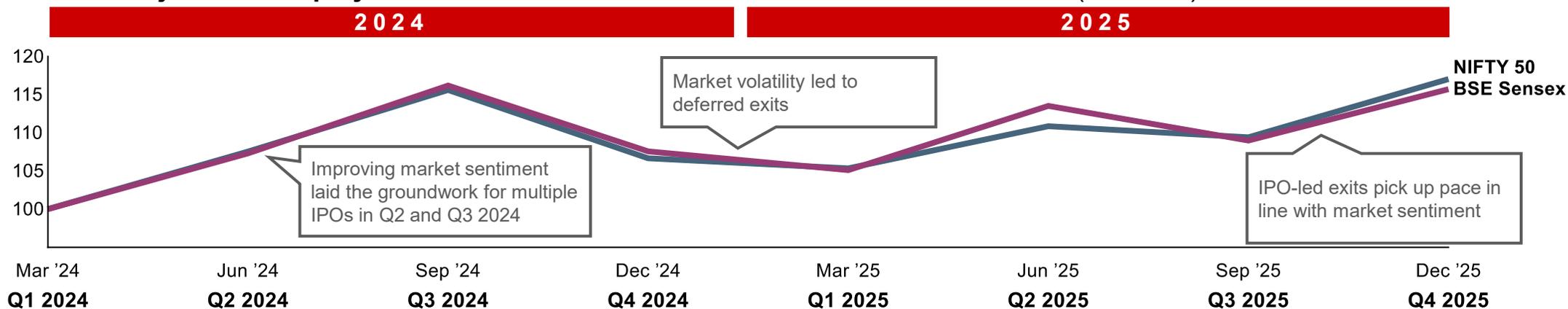
Several large consumer tech (Zepto, Oyo, AceVector), fintech (PhonePe), and logistics platforms (Shiprocket, Shadowfax) have filed or are advancing toward DRHPs, pointing to a robust and visible IPO pipeline

(1) Mandated since December 2023, impacting 2024, 2025, and upcoming IPOs; (2) SWAGAT-FI is a SEBI single-window facilitation platform for foreign investors

Notes: USD-INR conversion rates in respective years considered; DII is domestic institutional investors; DRHP is draft red herring prospectus; SEBI is Securities and Exchange Board of India; VC is venture capital
Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange; PitchBook

Figure 28: Stock market indexes grew by 8%–10% over CY 2025, supporting continued momentum for IPO exits

Performance trends of major Indian equity indexes based on actual market values indexed to 100 (2024–25)

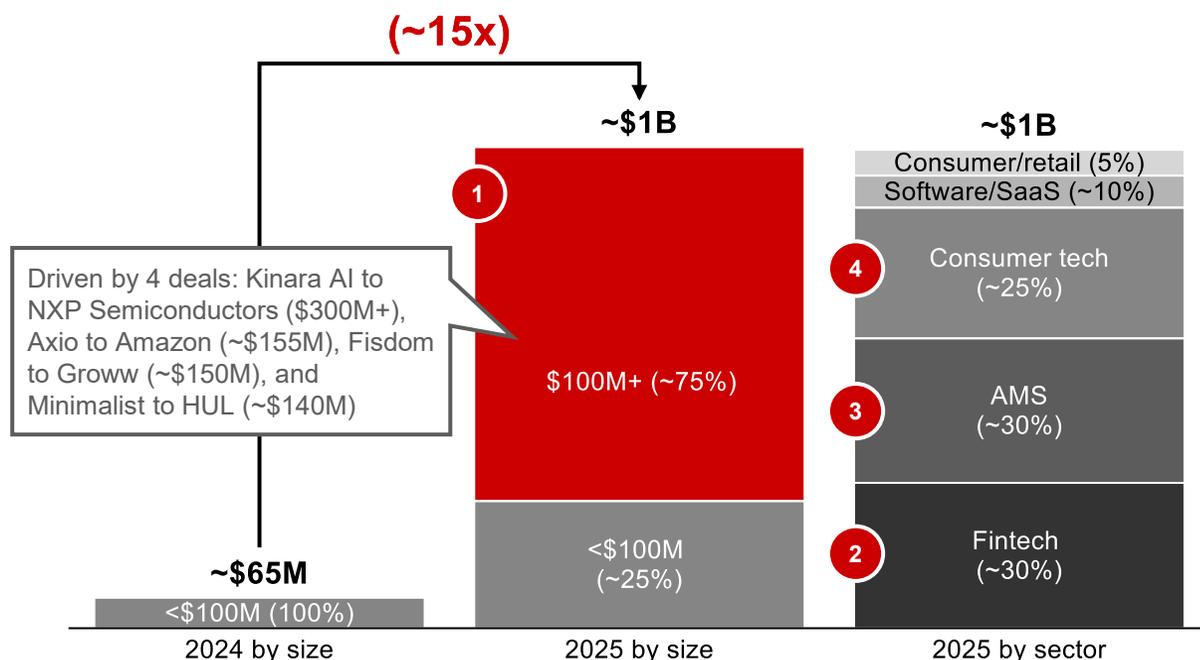


Quarter	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
IPOs with VC exits (#)	5	3	6	3	1	0	2	5
IPOs with VC exits	Entero, Jana, RK Swamy Epack, Capital SF	Travel Boutique, Awfis, Ixigo	Interarch, FirstCry, Style Bazaar, Ola, Unicommerce, Northern Arc	Swiggy, Blackbuck, Suraksha Diagnostic	Dr. Agarwal's Health Care	-	Urban Company, Bluestone	Groww, Lenskart, Pine Labs, Meesho, Wakefit
IPO share (% of total exit value)	~7%	~15%	~13%	~53%	~40%	-	~10%	~50%

Notes: USD-INR conversion rates in respective years considered; BSE is Bombay Stock Exchange; VC is venture capital | Sources: Bain & Company; S&P Capital; National Stock Exchange

Figure 29: Strategic sales rebounded sharply to \$1+ billion (~15x vs. 2024), primarily led by select large exits in fintech, AMS, and consumer tech

Value of strategic sales exits in India



Number of exits	10		14
Average exit value (\$M)	~7	~11x	~75

Sectoral trends

- Exits via strategic sale were primarily driven by rebound of \$100M+ deals, accounting for ~75% of exit value. These exits were anchored across three sectors: fintech, AMS, and consumer tech
- Fintech saw two key exits, namely Axio (~\$155M) for embedded credit underwriting and Fisdom (~\$150M) for scaled bank-led wealth distribution
- AMS was driven by the single large transaction of Kinara AI (\$300M+), with buyers seeking to add differentiated, hardware-led AI assets with integrated software enablement
- Consumer tech activity was anchored by three large exits: Minimalist (~\$140M), Shop Kirana (~\$90M), and Solv (~\$50M), reflecting buyers' focus on platforms that strengthen distribution, expand customer access, and enhance go-to-market capabilities within larger ecosystems

Notes: Examples above are illustrative and not exhaustive; USD-INR conversion rates in respective years considered; AMS is advanced manufacturing services; SaaS is software-as-a-service
 Sources: Bain & Company; Venture Intelligence; AVCJ; VCCEdge; Preqin; National Stock Exchange; Bombay Stock Exchange; PitchBook

A photograph of a server room with rows of server racks. The racks are filled with server units, and there are many cables connected to them. The room is lit with blue and red lights, creating a futuristic atmosphere. The racks are arranged in a long aisle, and the floor is dark. The ceiling has recessed lighting.

6

Key shifts in the
start-up ecosystem
and 2026+ outlook

- **Structural VC/growth tailwinds extended into 2025**, including start-up-friendly regulatory reforms. Greater IPO flexibility strengthened exit visibility, and the market saw a sustained shift toward profitability-led capital deployment.
- **Looking ahead, investor conviction is expected to concentrate around tech-first and infrastructure-led themes**, including AI and generative AI, Q-commerce enablement, and clean energy. Capital is likely to increasingly flow to models demonstrating clear monetization and governance discipline.
- **Domestic macro resilience is expected to underpin the next phase of funding.** Strong GDP growth, sustained public capex, rising consumption, and deepening digital inclusion all support technology adoption despite global uncertainty.



Figure 30: Regulatory tailwinds and focus on profitability carried into 2025, alongside a shift toward tech-first sectors and planned liquidity outcomes

Structural tailwinds from 2024 continued in 2025

Start-up-friendly regulatory reforms



- In 2025, regulatory reforms **simplified IPO norms and broadened capital participation**, including **extension of tax holidays** for DPIIT-registered start-ups, **ESOP flexibility for founders** at IPOs, and **expanded anchor allocations to insurance and pension funds**
- These reforms **strengthened cash flow retention** and **profitability visibility** for scaling start-ups, reinforced **founder continuity through IPO listing**, and **deepened domestic institutional demand**, contributing to improved IPO absorption and clearer exit pathways into 2025

Profitability-driven capital deployment



- Investor focus shifted decisively **from growth-at-all-costs to profitability**, unit economics, and cash flow visibility, deprioritizing top-line-driven valuation narratives
- Capital deployment became **more selective, prioritizing margin sustainability, credible breakeven paths**, and stricter governance in portfolio management

Emergence of new inflection points in 2025

Pivot to tech-first and infrastructure-led sectors



- 2025 saw a rebalancing of investor interest toward **innovation-driven sectors such as AI/generative AI, fintech infrastructure, and consumer tech**, outpacing the momentum seen in traditional sectors such as BFSI in past two years
- The shift toward these sectors was further supported by **government-backed initiatives such as RDI¹ and a maturing domestic ecosystem** capable of sustaining capital-intensive innovation

Shift to planned liquidity outcomes for exits



- **Resurgence of IPOs and strategic sales** underscored **the continued momentum in India's exit markets**, reinforcing India's position as a compelling destination for VC/growth capital
- **Regulatory clarity and improved market conditions enhanced execution certainty** for IPOs, reinforcing investor preference for public listings and building a **visible pipeline for IPOs** across scaled e-commerce, logistics, fintech, and consumer businesses going forward

(1) RDI fund is a government initiative supporting research and innovation in sunrise sectors such as deeptech, AI, biotech, and digital economy

Notes: BFSI is banking, financial services, and insurance; DPIIT is Department for Promotion of Industry and Internal Trade; ESOP is employee stock ownership plan; VC is venture capital

Source: Bain & Company

Figure 31: India's VC/growth ecosystem is transitioning to monetization-led phase, supported by sharper sectoral bets and domestic macro tailwinds

Sectoral landscape

VC conviction expected to strengthen across infrastructure-led and new-age themes 

Q-commerce capital is increasingly flowing toward **shared infrastructure platforms**—dark stores, warehousing, and delivery networks—lowering entry barriers in Q-commerce for D2C brands through asset-light scaling

AI/generative AI platforms are shifting from **experimentation to demonstrable ROI**, with differentiated data assets and proprietary models supported by deep technical talent and policy momentum (e.g., RDI¹)

Clean energy is expected to attract investment, driven by **optimizing technology costs, taking advantage of policy tailwinds, and expanding green financing instruments**, including thematic funds (e.g., Green Frontier Capital)

Investor behavior

Capital flows to be robust and shift toward firms with clear and visible monetization outcomes 

Capital remains available, with several VC funds having recently raised or currently raising capital for deployment in 2026 (e.g., Golden Sparrow Ventures, Navam Capital, Dharana Capital), **signaling a potential fertile funding environment ahead**

Deployment discipline remains high, with stronger emphasis on **sustainable profitability, clear monetization pathways**, strong governance mechanisms, and more **predictable exit outcomes** over “growth at all costs”

Macro factors

Domestic macro tailwinds to support 2026 funding landscape amid global uncertainty 

Domestic factors:

Strong GDP growth (~7.5% FY 2026E), anchored by public capex, resilient private consumption (~60% of GDP), and robust services exports alongside **expanding digital and financial inclusion** (~1B users; ~370M 5G subscribers) continues to reinforce domestic demand and accelerate technology adoption

Global factors:

Rising protectionism and geopolitical tensions are increasing cost and capital volatility, **although selective trade realignments**—such as new bilateral agreements—are partially offsetting these headwinds by expanding export and market access opportunities

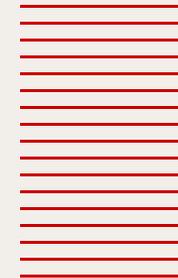
(1) RDI fund is a government fund supporting research and innovation in sunrise sectors of deeptech, AI, biotech, and digital economy | Notes: D2C refers to direct-to-consumer brands with majority of revenue coming from online channels; D2C is direct to consumer; Q-commerce is quick commerce; VC is venture capital | Source: Bain & Company



“

Heading into 2026, we expect deal activity to remain steady, with investors staying focused on quality over hype. The last couple of years have reinforced the importance of capital efficiency, durable unit economics, predictable revenue models, and those principles will continue to guide investor behavior. Similar to 2025, we are likely to see capital markets-led IPO and secondary exits as well, especially from companies that demonstrate a strong operating and execution track record. With continued innovation in backend infrastructure and expansion into broader consumer segments, the outlook for verticalized quick commerce remains very strong. In consumer AI, the biggest traction will come from use cases that enhance everyday experiences, whether it's creative expression and personalized content, AI-assisted learning, or tools that make digital lifestyles more intuitive.

LIGHTSPEED



“

India is well positioned to sustain leadership in applied AI innovation, anchored by the depth of developer talent cultivated through its technology services legacy. The imperative now is to accelerate that talent’s transition into an AI-native paradigm while remaining sharply focused on delivering demonstrable economic value in an increasingly crowded vendor landscape. We remain optimistic on the outlook and expect investment activity in the theme to remain robust in 2026.

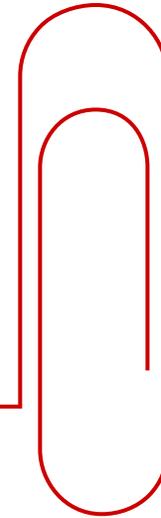
BLUME VENTURES

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VC investments in AI-led domains will see continued momentum, despite the longer gestation periods slowing near-term profitability. Beyond AI, consumer and financial services remain compelling—from the rapid expansion of quick-commerce from grocery to other categories, to the structural rise in domestic wealth driving fintech and wealthtech adoption.

NEXUS VENTURE PARTNERS

Glossary

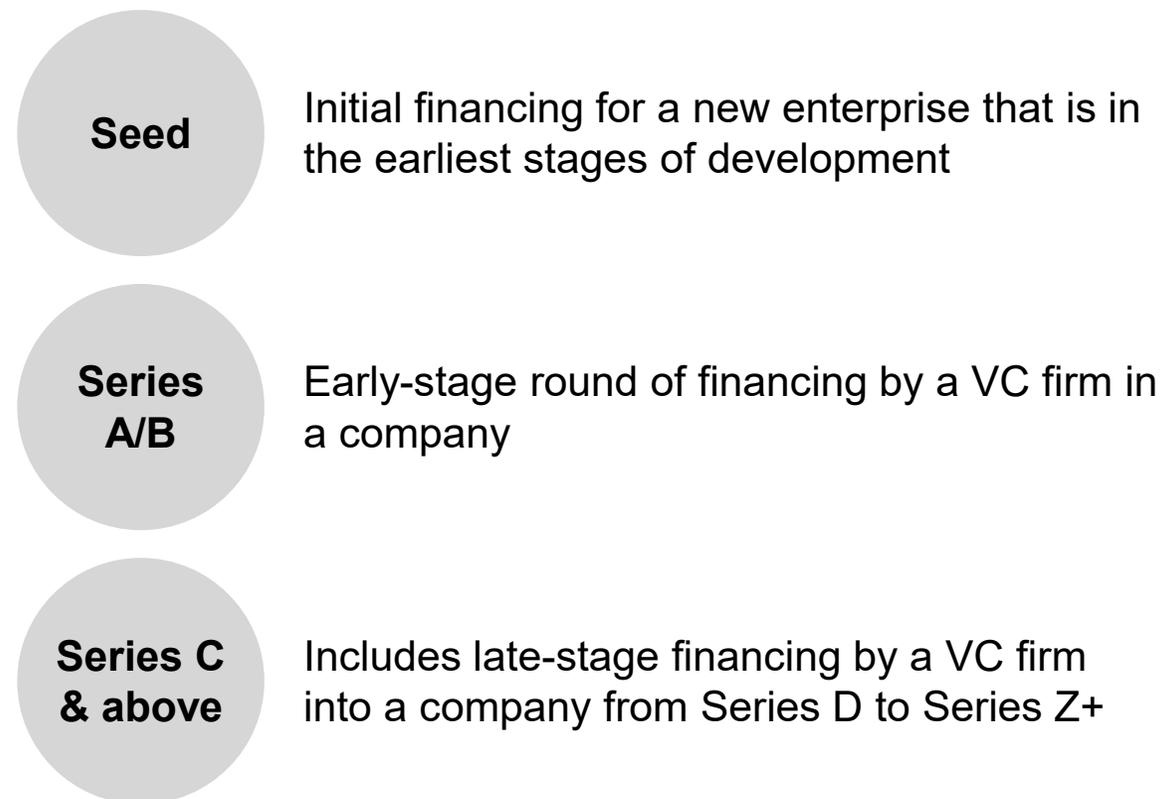


Investment deal stages used in the report

Classification based on deal size

- 1 Small ticket size**
Deal value less than **\$10M**
- 2 Medium ticket size**
Deal value between **\$10M and \$50M**
- 3 Medium-large ticket size**
Deal value between **\$50M and \$100M**
- 4 Large ticket size/megadeals**
Deal value higher than **\$100M**

Classification based on deal series¹



(1) As classified by PitchBook; defined as an investor that specializes in financing new businesses or turnaround ventures that usually combine risk with the potential for high return

Note: VC is venture capital

Source: PitchBook

Select terms used in the report

Industry classification	AgriTech	Tech innovations in agriculture, horticulture, and aquaculture aimed at improving yield, efficiency, and profitability
	B2B (business-to-business) commerce	Logistics and end-to-end supply chain solution providers (warehousing, inventory management, etc.) for businesses
	BFSI (banking, financial services, and insurance)	Companies that provide banking, financial services, and insurance products; includes commercial banks, cooperatives, and nonbanking financial companies
	ClimateTech	Tech innovations that mitigate climate change and enable decarbonization of the global economy
	Consumer tech	B2C (business to consumer) or consumer Internet products and services, including B2C commerce, edtech, online food delivery, gaming, healthtech, and similar segments
	Consumer/retail	Businesses focused on delivering goods and services directly to individual customers through traditional retail outlets or D2C models
	Electric mobility	Ecosystem including auto OEM (original equipment manufacturer), MaaS (mobility as a service), BaaS (battery as a service), and charging provider
	Fintech	Financial services companies leveraging technology, including payment providers, lending solution providers, neobanks, and similar players
	Generative AI (gen AI)	Companies using or building generative AI capabilities for their core offerings, including generative AI infrastructure, generative AI foundational modules, and generative AI apps
	SaaS (software-as-a-service)	B2B software delivered on the cloud as a service, including horizontal business software, vertical business software, and horizontal infrastructure software
Other terms	CVC (corporate venture capital)	Investment of corporate funds directly in external start-up companies
	D2C (direct-to-consumer)	Selling products directly to customers—bypassing third-party retailers, wholesalers, or other intermediaries—with majority of revenue coming from online channels
	Deeptech	Technology based on tangible engineering innovation or scientific advances and discoveries (e.g., vision and speech algorithms, AI/ML, blockchain, biotech)
	DII (domestic institutional investor)	Indian-based financial institutions—such as mutual funds, insurance companies, banks, and pension funds—that invest in the country's financial markets
	DPI (digital public infrastructure)	Cumulative value of distributions paid to the investors in a private equity fund relative to the money invested (i.e., cash-on-cash)
	Dry powder	Amount of committed but unallocated capital with venture capital and private equity firms for deployment when attractive investment opportunity arises or to ease financial distress
	ESOP (employee stock ownership plan)	Program that provides employees with ownership interest in companies, typically through stocks, fostering employee engagement and loyalty
	FO (family office)	Private wealth management advisory firm that serves ultra-high-net-worth individuals
Leading investors	Investors leading on deal value (with \$1B+ deal value and 35+ deals in last five years) or deal volume (with 50+ deals and \$500M+ deal value in last five years)	



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