

Coverage Report: Micro VC funds in India

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PRINT

TOI Print	Micro VC Investments have grown by 62% in past three years : Report
Business Standard Print	PE-VC Investments drop 35% in Jan to \$1.6bn

Micro VC investments have grown by 62% in the past three years: Report

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Chennai: With increasing entrepreneurship action and with startups needing more risk capital to move from proof of concept to product-market fit, micro VCs (venture investors filling the financing gap between an angel investment and the first institutional round for startups) has grown almost 6x in the past six years.

Considered as upstarts of the VC world, the number of Micro VCs (investors with fund sizes of \$50 million or less) has grown from 29 in 2014 to 88 in 2020, finds a new report by Praxis Global Alliance's micro VCs along with Indian Private Equity and Venture Capital Association (IVCA). Micro VCs have infused around \$341 million capital in the ecosystem through 730 deals involving 566 startups in the past three years. While value of micro VC investments have grown by around 62% from 2018 to 2020, the number of deals has nearly doubled from 183 in 2018 to 310 in 2020.

Madhur Singhal, managing partner and CEO, Praxis Global Alliance's micro VCs have pitched in with critical risk capital when early-stage startups work towards preparing their business models and achieving product-market fit.

In the last two years, most micro VC firms have been launched by ex-Startup CXOs, and former VC professionals who are already embedded in the startup ecosystem, the report shows.

Micro VCs typically operate in the pre-seed and seed space. Most of these funds are also in the nature of domestic capital. In 2020, roughly 60% of the investment made by micro VCs was in SaaS, AI sector, consumer apps and e-commerce platforms.

Success stories are already emerging in this category as investors as Blume Ventures and 30One4 Capital, which started off as micro VCs, have already raised or have target fund sizes of over \$100 million today, the report notes.

PE-VC investments drop 35% in Jan to \$1.6 billion

T. HARISHANKAR
Chennai, February 11

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Private equity-venture capital (PE-VC) investments registered a 35 per cent drop in January 2021, primarily on account of fewer large deals. The number of deals reported also registered a 40 per cent drop to 157 deals.

January saw three large deals (total greater than \$500 million) worth \$440 million compared to five such deals of \$1.4 billion in January 2020 and 12 worth \$6 billion in December 2020.

The largest deals were a group of deals including Transact, LightSpeed, Allmax Capital Invest \$200 million in Udata.com, an online B2B trading platform, followed by Tiger Global, Strathairn, Fidelity and others investing \$200 million in Zomato, a platform for online food ordering and delivery.

Overall investments were the largest, with \$17 billion invested across 17 deals in the past 18 months.

Infrastructure was next in line, with \$177 million invested across four deals, followed by financial services with \$176 million invested across 18 deals and pharmaceuticals with \$111 million invested across three deals.

E-commerce remained an invested across three deals, with \$69 million in investments across 15 deals, accounting for 43 per cent of all investments in January with January recording \$30 million, its sixth, mainly supported by IPO activity.

Micro VC investments rise 20% to \$139 mn

With India seeing the birth of several hundred start-ups every year, small venture capital (VC) funds have emerged as promising players. Micro VCs have increased 20 per cent in 2020 to \$139 million from \$116 million a year ago. The number of deals increased to 68 from 62 in 2019.

Micro VCs - those with fund size below \$25 million - have infused \$24 million into the space through 193 deals across 563 start-ups in the past three years, according to report by Indian Private Equity and Venture Capital Association and Allmax Web Services co-authored with Praxis Global Alliance. With the start-up boom beginning to wane, the number of deals funded has increased from 24 in 2018 to 68 funds last year. The report is based on responses from around 50 micro VCs. These VCs typically invest in the SaaS/AI sector, consumer apps and platforms, e-commerce, and fintech/gig-economy. Of these, investment, \$1 per cent are sector-specific, focusing on tech, IP, health care and life sciences as major investment verticals.

MORE MICRO VCS ENTER THE SCENE

2018: 29
2019: 48
2020: 88

ON THE RISE

Start-up micro VCs invested in

2018: 183
2019: 237
2020: 310

AMOUNT INVESTED OVER 3 YRS

2018: \$5.5
2019: \$116
2020: \$139

CAGR 30%

CAGR 27%

Micro VCs have invested \$139 mn in 2020 across 566 start-ups between 2018 & 2020

ONLINE

HBL	Small VCs making a beeline for start-ups: Report	https://www.thehindubusinessline.com/companies/small-vcs-making-a-beeline-for-start-ups-report/article33878292.ece
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Business Standard	Small VCs making a beeline for start-ups: Report	https://www.business-standard.com/article/companies/small-venture-capital-funds-making-a-beeline-for-startups-report-121021801468_1.html
FE	Small VCs making a beeline for start-ups: Report	https://www.financialexpress.com/industry/small-vcs-making-a-beeline-for-startups-says-report/2197798/
FE	From few micro VCs backing Flipkart, Ola, others, how ecosystem has grown in number of investors, capital	https://www.financialexpress.com/industry/small-vcs-making-a-beeline-for-startups-says-report/2197798/
Inc42	Can Private Labels Become Big Enough To Make Ecommerce Profitable In India?	
CNBC Online	Startup digest: Top startup stories of the week	https://www.cnbctv18.com/startup/startup-digest-top-startup-stories-of-the-week-3-8365641.htm
Yourstory	News Roundup	https://yourstory.com/2021/02/startup-news-and-updates-daily-roundup-feb-19-2021
Yourstory	Small VCs making a beeline for start-ups: Report	https://yourstory.com/2021/02/small-vcs-making-beeline-startups-report
VC Circle	Micro VCs invested \$341 mn in Indian startups from 2018 to 2020: IVCA	https://www.vccircle.com/micro-vcs-invested-341-mn-in-indian-startups-from-2018-to-2020-ivca/
TechCircle	Micro VCs invested \$341 mn in Indian startups from 2018 to 2020: IVCA	https://www.techcircle.in/2021/02/19/micro-vcs-invested-341-mn-in-indian-startups-from-2018-to-2020-ivca?s=08#utm_source=twitter&utm_medium=social&utm_campaign=Micro%20VCs%20invested%20\$341%20mn%20in%20Indian%20startups%20from%202018%20to%202020:%20IVCA
BW	Micro VCs Are Blooming In India ,From 29 Funds In 2014 To 88 In 2020: IVCA-AWS-Praxis Report	http://bwdisrupt.businessworld.in/article/Micro-VCs-Are-Blooming-In-India-From-29-Funds-In-2014-To-88-In-2020-IVCA-AWS-Praxis-Report/19-02-2021-379330/
Outlook India	Small VCs making a beeline for start-ups: Report	https://www.outlookindia.com/newscroll/small-vcs-making-a-beeline-for-startups-report/2032323
BW	Small VCs making a beeline for start-ups: Report	http://www.businessworld.in/article/Small-VCs-Making-A-Beeline-For-Startups-Report/19-02-2021-379316/
Entrepreneur	Micro VCs Bloom In India; Invests \$341 Mn In 566 Startups In 3 Yrs: Report	https://www.entrepreneur.com/article/365744

Adgully	Micro VCs Are Blooming In India ,From 29 Funds In 2014 To 88 In 2020: IVCA-AWS-Praxis Report	https://www.adgully.com/micro-vcs-are-blooming-in-india-ivca-aws-praxis-report-101145.html
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Aggregators	
AlphaMaven	https://alpha-maven.com/news/venture-capital/micro-vcs-invested-341-mn-in-indian-startups-from-2018-to-2020-ivca-vccircle
Daily Excelsior	https://www.dailyexcelsior.com/small-vcs-making-a-beeline-for-startups-report/
News Knowledia	https://news.knowledia.com/IN/en/articles/sharp-rise-in-micro-vc-investments-as-566-startups-get-341-mn-in-3-years-d6226dae5641297d1235700a8ddf29b3c721924
Sweden Startups	https://swedenstartups.com/index.php/tag/341/
Small VCs making a beeline for start-ups: Report	https://in.finance.yahoo.com/news/small-vcs-making-beeline-startups-061421789.html
Flipboard	https://flipboard.com/article/small-vcs-making-a-beeline-for-startups-report/a-5xwv_FaXSwu7-c-orF3Qhg%3Aa%3A106586776-632c49ca93%2Foutlookindia.com
Magzter	https://www.magzter.com/news/585/1614/022021/5cdau
Latestly	https://www.latestly.com/agency-news/latest-news-small-vcs-making-a-beeline-for-startups-report-2328934.html
Business Journal	https://business-journal.in/industry/from-few-micro-vcs-backing-flipkart-ola-others-how-ecosystem-has-grown-in-number-of-investors-capital-business-journal/
News Deal	https://newsdeal.in/from-few-micro-vcs-backing-flipkart-ola-others-how-ecosystem-has-grown-in-number-of-investors-capital/
Msn	https://www.msn.com/en-in/money/news/from-few-micro-vcs-backing-flipkart-ola-others-how-ecosystem-has-grown-in-number-of-investors-capital/ar-BB1dSqm2
Cryptopress Network	https://cryptopress.network/from-few-micro-vcs-backing-flipkart-ola-others-how-ecosystem-has-grown-in-number-of-investors-capital/
Hourly Press	http://thehourlypress.com/sharp-rise-in-micro-vc-investments-as-566-startups-get-341-mn-in-three-ye

ars/

Television

CNBC Awaaz <https://www.youtube.com/watch?v=mkk7Yst022k&feature=youtu.be>

आवाज़
Entrepreneur माइक्रो VCs का फंड साइज ₹225 करोड़ तक

GVA -7.3% से बढ़कर 1% (QoQ) • FY21 Q3 GVA 3.4% से

PLNG¹⁰ 6.2m 255.15 ▼ 3.55 PNB² 191.7m 40.85

8:34 AM
GOLD 1733.49
SILVER 26.62

NO. 1 **आवाज़**