



PRIVATE EQUITY-VENTURE CAPITAL IN
**FINANCIAL
SERVICES &
FINTECH**

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*Note – it includes investments tech companies also

Preface



Historically, India is known to be a country that saves. And while our citizens are instinctive with savings, we have seen a decline in gross savings rate over the last few decades. Why is this so?

Think of a daily wage worker - she doesn't have the means or options to save or invest everyday although she does manage to keep aside some money from her daily income. At the other end of the spectrum is a working woman who has limited knowledge on building an investment portfolio.

From an industry perspective, PE-VC investments in fintech have hitherto been dominated by startups focused on payments and lending. In the world of savings and investments, there has been minimal penetration of relevant products in the country, even as large volumes of sector-related data remain unleveraged.

All of this opens a horizon of opportunities for fintechs and startups who are looking to innovate for savings and investments. This is a fast-growing area in the Indian Fintech ecosystem - proof of which lies in the fact that in two-three years, the savings tech segment has seen an influx of interest from traditional and unorthodox investors alike.

In this context, it might be relevant to highlight the need for new business models with an eye on holistic financial advisory as against commission-driven solutions. Further, startups that are looking to scale must focus on building localised solutions that consider nuances of the market – including demographics, inclusion of regional languages, geographical needs (rural versus urban), and more!

Savings and investments form a critical aspect of a resilient economy. Today, we are looking at building technology that enables savings for all citizens on a daily, weekly, monthly, and annual basis - and here is where RBIH wants to mobilise the ecosystem for faster and effective solutions. It is in this context that we bring you the latest edition of our PE-VC report with a focus on 'Savings Tech (including investments)'. I hope you find value in this report, and we look forward to your active participation in growing this sector.

Regards,

Rajesh Bansal
Chief Executive Officer
Reserve Bank Innovation Hub

Responsible Innovation: Lucid Communication Needs to be Front and Centre



Lalit Keshre, Co-founder and CEO, Groww

“A fine balance between innovation and customer protection can help increase Indian investors' risk appetite especially among the early adopters of technology. As part of the fintech sector, we can enable retail customers to become mature investors.”

“Time in the market beats timing the market – almost always”. This was investment analyst Ken Fisher's advice to stock market investors in 2018. He said that risk diversification and investments across asset classes without being over cautious will help maximise returns.

For investors, this translates to delving deeper into a financial instrument's cost-benefit analysis, historical returns, and factors that impact its performance. This is then juxtaposed with individuals' risk appetite. Volatility is an inherent part of such investments, however the pertinent question is the quantum and duration of volatility.

India is no different. All investment products sold in the country carry disclaimers against misselling and market volatility.

Interest rate fluctuations and equity market oscillations often impact a financial product's eventual return.

However, investment advisors often understate the risks or overstate the returns. Either can be detrimental to customer interests and result in a loss of confidence in the country's financial system.

There is ample opportunity to innovate under the regulatory supervision of the RBI and SEBI.

We are allowed product experimentation in predefined test beds under RBI's Regulatory Sandbox framework. The regulators have paved the way to build products that are need-based, evidence-based, and with long-term viability.

Now it is the responsibility of startups to ensure their cutting-edge reforms comply with customer interests and extant data privacy regulations.

Enlighten, Empower, Enable

“**Transparency is at the core of innovation, hence, it is imperative that startups use their investor education budgets towards ironing out the mismatch between customer expectations and product offerings.**”

For instance, if a startup displays a particular mutual fund as offering very high returns, it is pertinent to inform the customers that it is a very high-risk investment.

There is enough evidence to prove that Indian customers are not averse to risks. SIP inflows have risen to a record high, especially when FII are booking profits. The flourishing Demat architecture with over 100 million accounts is proof that investors are looking to diversify their portfolios.

Through a multi-channel awareness initiative, we can enlighten customers about the IRR, yields, expense ratio, exit load, and tax implications, and accelerate the path to wealth creation.

Furthermore, social media audits to inspect and evaluate user opinions about investing will aid in restructuring existing investment brochures.

This needs to be supplemented with offline investor camps across the country to spawn a meteoric rise in high-risk-high-return investments.

However, there can be instances where opinions on social media are misconstrued as financial advice.

A sine qua non to prevent misselling is to insist that marketing takes responsibility to avoid incorrect representations of product returns and ensure that future risks are explained.

Upfront and prominent risk factor disclosures on social media posts, videos, customer applications, and company websites are necessary measures to avert persistent grievances.

Create a Pull Rather than Push

Instead of nudging investors to buy a particular financial product, a better approach would be to educate them about the various kinds of financial products in that category/segment, and let the customers decide which product makes the most sense for them.

For a long time, financial institutions relied on push factors such as cold calling and promotional activities to influence buying behaviour. This needs a change to empower customers with information to enable them in making financial decisions by themselves.

Periodic communication, in the form of fund performance reports and personalised wealth assessments, will become additional trust factors in the customer journey.

Pull factors, such as explicit information on the annualised returns, customised investment calendars, and simplified benefit illustrations, will help customers make informed decisions. It is preferable to be descriptive than prescriptive, so that the customer has the freedom to perform a risk-benefit analysis prior to product purchases.

Here, targeted awareness campaigns through closer collaboration between incumbents and new entrants in the fintech ecosystem can aid awareness building. The underlying principles of transparency, fair pricing, honest disclosures, and data privacy will be pivotal to the next phase of fintech transformation. Together, we can make it happen.



SAVINGS TECH DEEP DIVE

Savings Tech startups leverage the latest in technology to help consumers access, select, and invest in products with convenience and personalisation, among other benefits. This segment covers startups that help consumers invest in digital gold, fractional real estate, micro-investing platforms (investment of spare change after every transaction), goal-based mutual fund investments, private and public companies' equity, blockchain-based chit funds investments, and 'Save Now Pay Later' companies.

Private Equity - Venture Capital (PE-VC) investors have invested over \$1.2 Billion in Indian Savings tech (includes Investment tech) companies between FY 2019 and Q3 FY23. Pure Savings tech companies grabbed over 12% of the value pie. Recent deals and interactions with PE-VC fund managers indicates that the Savings tech segment will attract more funding and is set to grow rapidly with the introduction of more innovative products.

Introduction

According to interviews with leading PE-VC fund managers, an increasing number of investors are looking at startups in the Savings segment.

"As Indians, we are good at saving, but quite poor at preparing an investment portfolio. A right trustworthy partner is essential at all income levels of the households," says the Managing Director of a leading Early-Stage VC firm. "The Indian middle class is not getting clear financial planning and advice that leverages data. Hence, they are denied access to appropriate yields or ease of transacting," agrees the founder of a leading domestic Growth Capital firm. Investors feel that traditional savings/investments — dominated by real estate and Bank Fixed Deposits — is likely to see a dramatic change over the next decade, creating opportunities for technology-enabled fintech players to scale up dramatically. "Since the penetration of savings/investment products is low, as the tech infrastructure develops, startups building in this area with a long-term horizon have immense potential," says the founder of another seed fund.

New Business Models

Given the deep penetration of banks and other financial institutions — including their increasing focus on digital channels — the bar for offerings from startups to make a mark in this segment by focusing on localised services will be higher. "Product creation by larger BFSI companies is often a 'one size fits all' approach and that is where the opportunity for startups lies," says a seed-stage VC investor. "Creating differentiated products targeting the right customer profiles is a huge opportunity," he adds.

Startups focusing on this segment need to place special emphasis on gaining trust among investors as well as actively work towards gaining the confidence of regulators (apart from being compliant with existing rules). By showcasing how a basket of diverse portfolio options can balance risk and returns — including by providing easier interfaces and tools to plan, access, and track their savings/investments — it is possible for startups to offer consumers with investment options based on their risk appetites and profiles.

In fact, there are already several startups offering gold-linked products including Augmont, Jar, milliGOLD, and IndiaGold. Another startup, Sibly is positioned as a service that "helps the underserved

masses inculcate savings behaviour through a tech-enabled micro-savings platform where the investment can be as low as ₹ 1."

Investors foresee startups increasingly coming up with offerings that cater to specific investment goals and spending occasions. In fact, VC-backed startup Multipl has launched a "Save Now, Buy Later" app that allows consumers to plan and pay for upcoming purchases. This is in contrast to the "Buy Now, Pay Later" models, which it claims leads to impulsive buying and debt that is a "sub-optimal way of managing one's hard-earned money and leads to savings-erosion". The significant decline in recent years of traditional savings avenues such as Bank FD and Real Estate also presents startups an opportunity to attract consumers to their offerings. "Startups can offer innovative products (using ETFs and other index-linked instruments) — many of which are currently available only to High Networth Individuals (HNIs) — that capture part of the upside with minimal downside risks," says an angel investor.

Startups like Smallcase and Dezerv have raised significant VC funding based on this approach. Dezerv makes mutual fund portfolios "that were earlier accessible to the ultra-wealthy, now available to Indian working professionals through a seamless digital experience". Smallcase enables investments in portfolios of stocks or ETFs, that track a theme, strategy, or objective. The Smallcase portfolios are created and managed by professionals who are SEBI-registered research analysts and investment advisors. Another VC-backed startup, Wint Wealth, enables retail investors to access debt instruments (bonds) with a minimum investment of as low as ₹ 10,000. "Retail investors currently are experiencing a huge need for investment options that lie in between low risk-low return, like Fixed Deposits or Debt Funds, and high risk-high return, like stocks and equity mutual funds. We, at Wint Wealth, are striving to bridge this gap," it says on its website.



Intermediation Costs

Given the focus of traditional intermediaries to “push” products that often pay them the highest commissions, there is a scope for startups to differentiate themselves as providers of holistic financial planning. In fact, some startups have adopted a “no commissions” positioning, stating explicitly that they do not take any direct or indirect commissions (from the investment product creators) and are hence able to provide their investors with unbiased advice customised to their needs. “Through technology disruption, the intermediary cost for investment advice can be brought down substantially,” avers the Executive Director of a Bangalore-based VC firm.

Of course, for startups that are innovating on the distribution side versus creating their own offerings, the existing commission structures provide access to a clear source of revenue. Of course, there are plenty of B2B opportunities wherein startups are helping existing Asset Management Companies (an example

being Cybrilla) and also distribution firms (eg: Nivesh.com) improve their efficiency by leveraging their technology offerings.

Investors advise startups in the savings/investments segment to be careful in terms of customer acquisition costs as well as transaction costs. “Conventional lenders make money on spreads. Unless capital allocation is sharp, innovations at the savings end will not generate ROI,” warns a veteran Private Equity Investor.

Sector Deep Dive: Savings Tech

SUMMARY

Trends in Savings Tech:

- 💡 The concept of spare change/round-up investing is becoming popular with many popular apps such as Jar, Deciml, Niyo and others entering this segment. The accumulated amount can be invested in Mutual Funds, US stocks or to buy digital gold, depending on the app we use.
- 💡 Emergence of a new category of savings — Save now, Buy later (SNBL) — that incentivises saving for big spends while avoiding the debt trap that comes with BNPL. The startups that operate in the SNBL space in India have seen strong traction among users, although the segment is still in its infancy.
- 💡 Increasing adoption trend towards digital gold among young millennials and Gen-Z investors.
- 💡 Fractional ownership is emerging in India as a new investment avenue for new-age investors to participate in new opportunities at a fraction of the cost previously required.

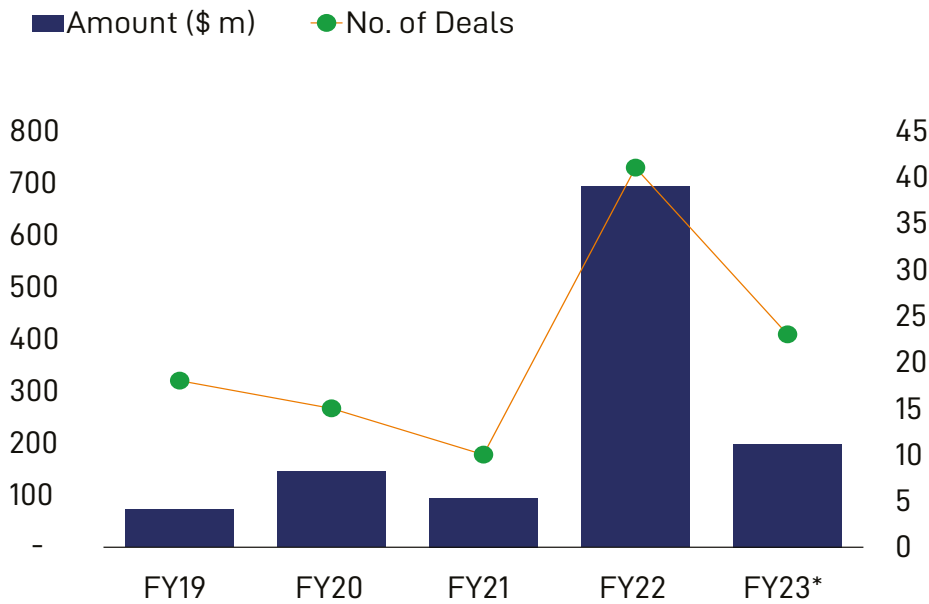
SAVINGS TECH INDUSTRY OVERVIEW

- 💡 India's fintech market is projected to touch \$150 billion by 2025, as reported by Affle.
- 💡 The total equity in the Indian stock market was \$990 billion in FY21, and it is expected to be \$2.2 trillion in FY26.
- 💡 According to Axis My India, digital gold investment showed increasing popularity with the younger population. 15% of people in the age group of 18-24 years showed a strong intent to invest in digital gold.
- 💡 Crisil believes India's mutual fund industry assets could grow to ₹ 50 lakh crore by 2025.

Sector Deep Dive: Savings Tech

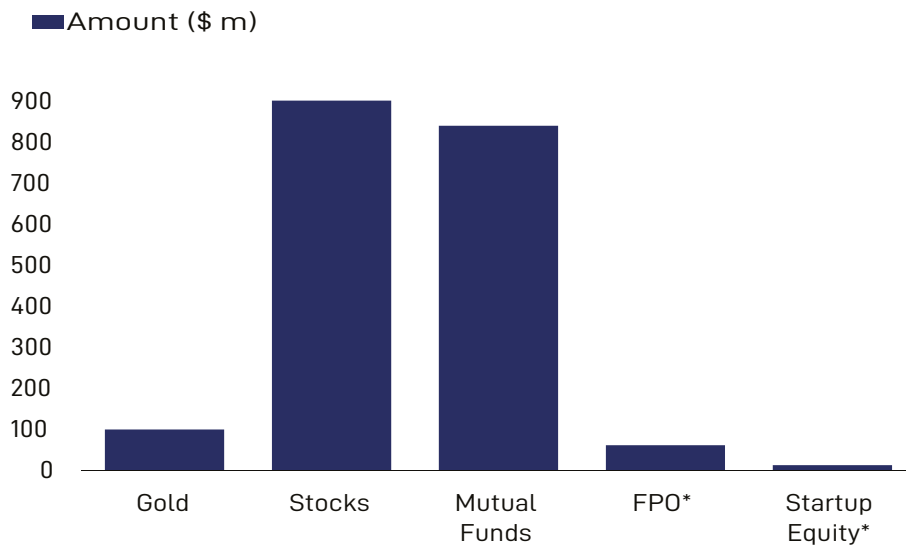
PE-VC FUNDING TRENDS

PE-VC Investments into Savings Tech



FY 2023* — Data as of December 21, 2022

PE-VC Funding in Savings Tech Sub-Sectors (FY19 to Q3 FY23)






*Note: FPO means Fractal Property Ownership and Startup equity is the investment by retail investors in a private company. Deals are double counted if a firm caters to more than one sub-sector

Top 10 Most Funded Savings Tech Startups in India

Company	Total Investment Raised (\$ m)	Latest Available Valuation(\$ m)	Investors
 Groww	393	3,010	Lone Pine Capital, Alkeon Capital, Steadfast Capital, Y Combinator Continuity Fund, Propel Venture Partners, Ribbit Capital, Iconiq Capital, Tiger Global, Sequoia Capital India, Kairos, Insignia Ventures Partners, Others
 INDmoney Super Money App	144	652	Sixteenth Street Capital, Steadview Capital, Dragoneer Investment Group, Tiger Global, DST Global, Others
 scripbox	67	N.A.	Accel USA, Omidyar Network, Accel India, InnoVen Capital, Others
 smallcase	66	205	WEH Ventures, Arkam Ventures, Beenext, Amazon, Blume Ventures, HDFC Bank, Faering Capital, PremjiInvest, Sequoia Capital India, Rainmatter Capital, Others
 Jar	60	300	Panthera Capital Ventures, Eximius Ventures, Prophetic Ventures, WEH Ventures, Arkam Ventures, rocketship.vc, Capier Investments, Tiger Global, LogX Ventures, Tribe Capital, Third Prime, Others
 navi	57	569	Gaja Capital, IFC
 upstox	54	3,375	Tiger Global, Kalaari Capital, Ratan Tata, Others
 PROPERTY SHARE	49	172	Asuka, Beenext, Pravega Ventures, Lightspeed Ventures, WestBridge, Others
 StockGro	37	176	Bitkraft, Roots Ventures, General Catalyst Partners, Velo Partners, Others
 Fisdom	37	143	Prosus Ventures, Quona Capital, Saama Capital, Others

Sector Deep Dive: Savings Tech

TOP 10 FUNDED SAVINGS TECH COMPANIES: PRODUCT OFFERINGS

	Gold	Chit	Fractional Property Ownership	Others*
	✓			
			✓	
	✓	✓		✓
	✓			✓
			✓	
				✓
	✓			
	✓			
	✓			
				✓

*Note: Others includes companies which offer services like change investing, goal based mutual funds investments, Save Now Buy later, etc.

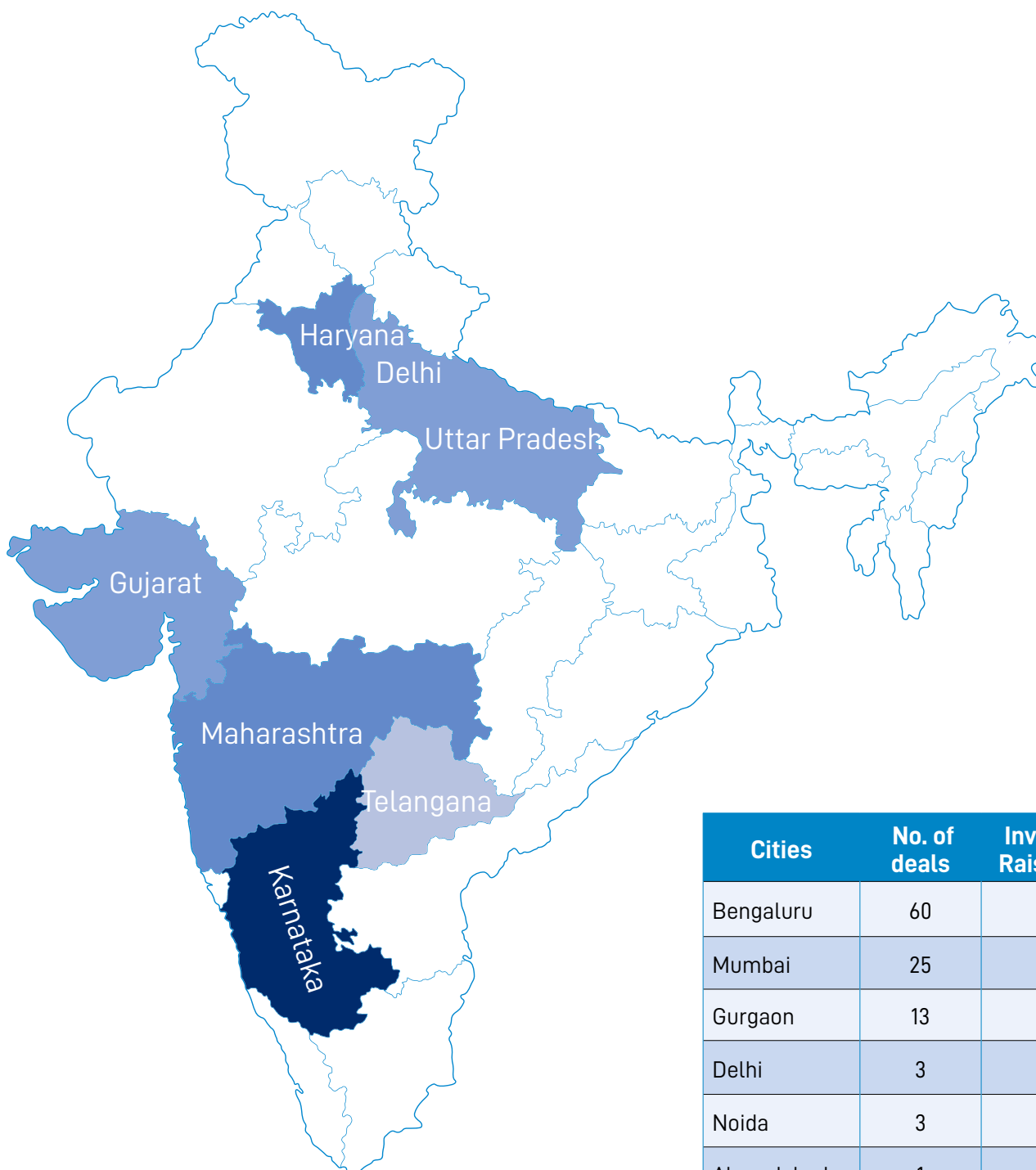
Sector Deep Dive: Savings Tech

MOST ACTIVE INVESTORS IN INDIA

Investor	Deal Count	Notable Investments
 BEENEXT	10	Raise Financial, Smallcase, Cube Wealth, Property Share, SafeGold, Savart
 SEQUOIA	10	Groww, Probo, Smallcase
 TIGERGLOBAL	9	Groww, Jar App, Upstox, IndMoney
 Accel	7	Jiraaf, Trinkerr, xalts, Dezerv, Scripbox
 Arkam Ventures	7	Jar App, Smallcase, Wint Wealth
 BLUME	7	Dezerv, Wint Wealth, Smallcase, Raise Financial, Multipl
 ELEVATION	6	Probo, Dezerv, Strata
 Rainmatter	6	GoldenPi, Sensibull, Streak Tech, Wint Wealth, BeyondIRR, GoalTeller
 WEH ventures	6	Jar App, Smallcase
 Whiteboard CAPITAL	5	Globalise, Raise Financial, Dezerv

Sector Deep Dive: Savings Tech

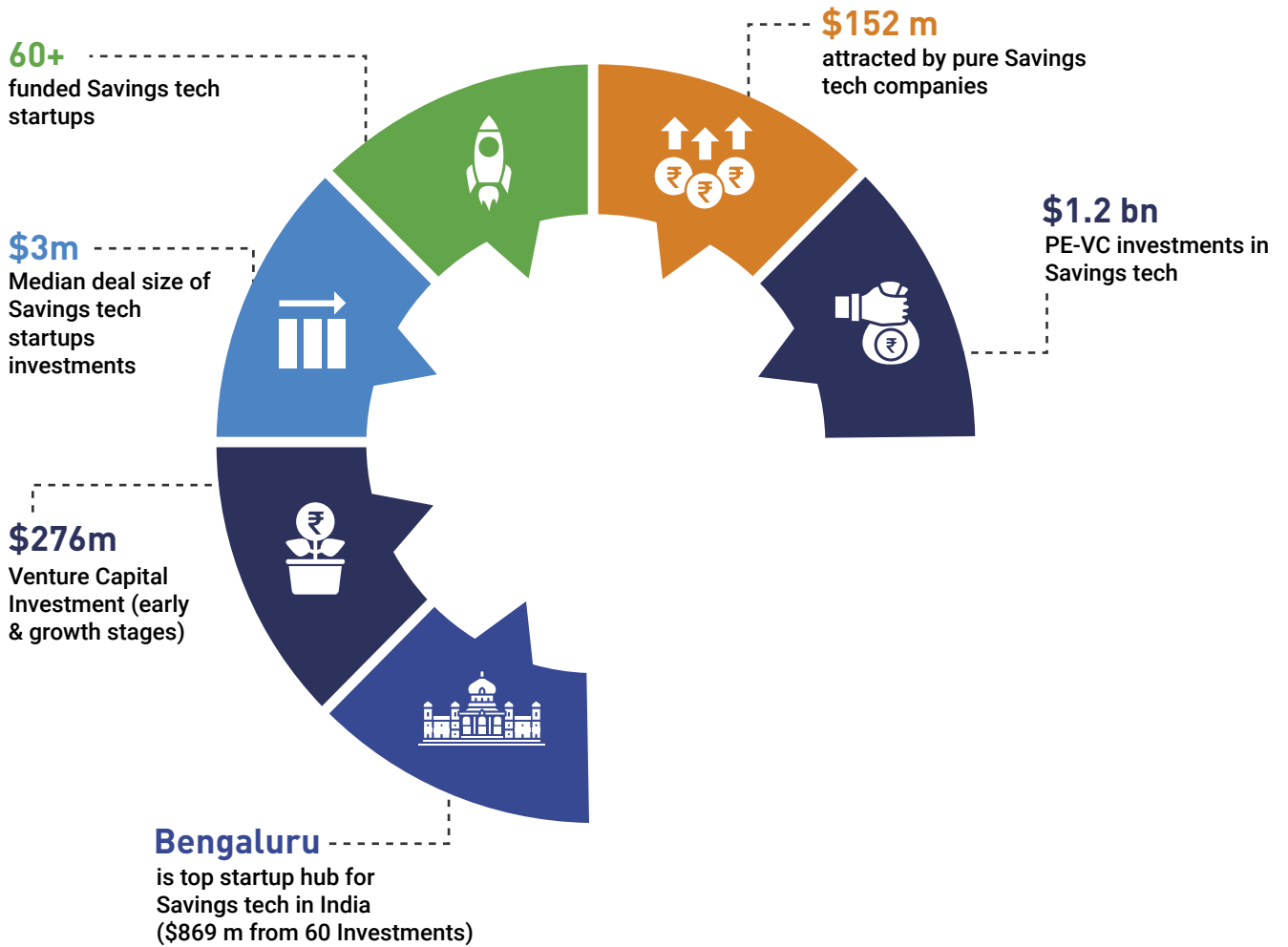
INVESTMENT BY GEOGRAPHY – FY19 TO Q3 FY23



Cities	No. of deals	Investment Raised (\$ m)
Bengaluru	60	869
Mumbai	25	163
Gurgaon	13	161
Delhi	3	6
Noida	3	3
Ahmedabad	1	1
Pune	1	1
Hyderabad	1	1

Sector Deep Dive: Savings Tech

FUNDING ECOSYSTEM IN INDIA – FY19 TO Q3 FY23





FINANCIAL SERVICES OVERVIEW

Private Equity - Venture Capital (PE-VC) investors have invested over \$37 billion in Indian BFSI (Banking, Financial Services, and Insurance) companies between FY 2019 and Q3 FY23. Fintech companies grabbed over 53% of the value pie.

Overview – Historical Funding

BFSI

BFSI Funding

💡 The BFSI (Banking, Financial Services, and Insurance) industry has attracted 174 PE-VC (Private Equity - Venture Capital) investments worth \$6.4 billion during the first 9 months of the Financial Year 2023. **(Note:** For the purpose of this report, “BFSI” investments include Fintech company investments as a subset)

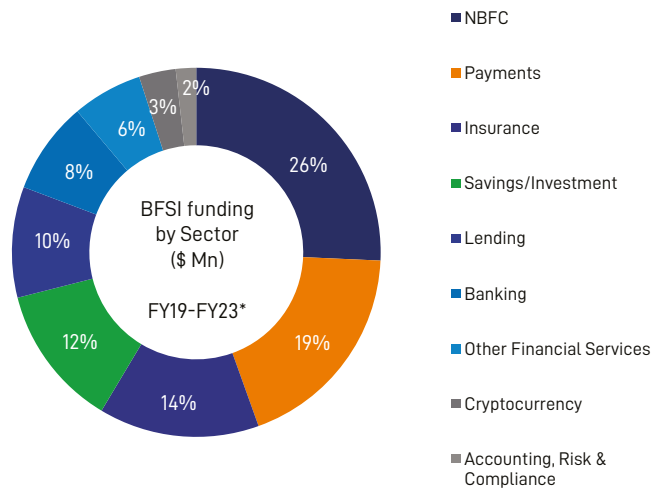
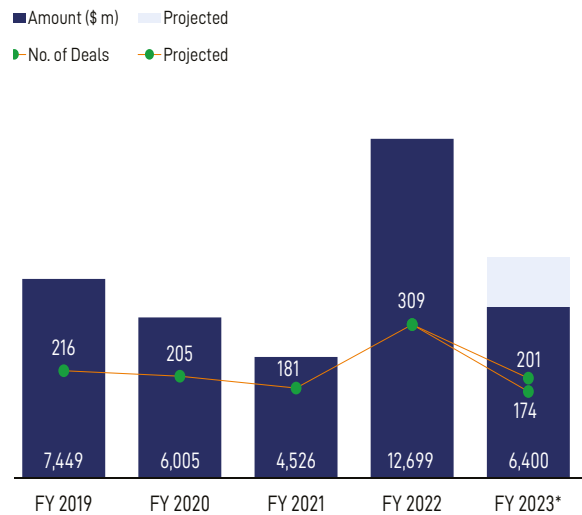
💡 Assuming the same pace of investments, the FY23 figures can be expected to reach \$8.3 billion across 201 deals — much lower than the record figures of \$12.7 billion across 309 deals in FY22.

💡 Between FY 2019 and the first 9 months of FY 2023, PE-VC investors have invested over \$37 billion in BFSI companies.

💡 Within BFSI, NBFCs have attracted the most PE-VC funding in recent years. During the period spanning April 2018 to December 2022, NBFCs attracted \$9.5 billion across 204 deals. It was followed by payments-related companies which attracted \$6.9 billion across 125 deals.

💡 The BFSI industry has produced 21 unicorn companies.

BFSI Investments



FY 2023* — Data as of December 21, 2022

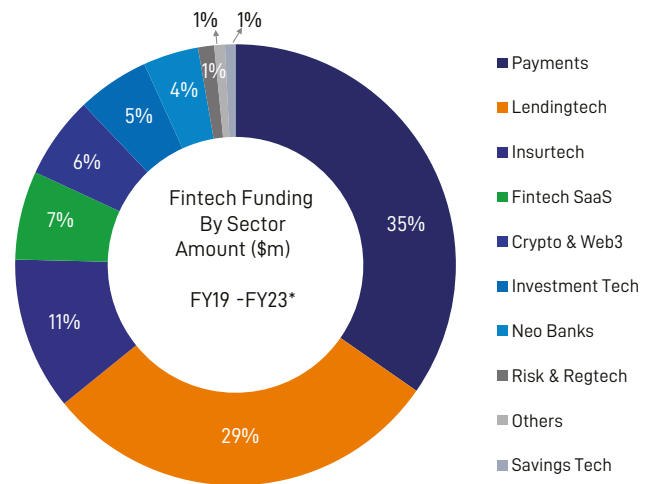
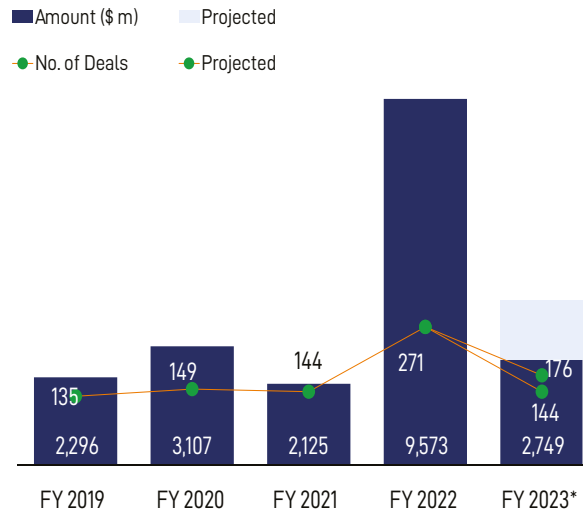
Overview – Historical Funding

FINTECH

Fintech Funding

- 💡 The fintech sector witnessed 144 PE-VC investments worth \$2.8 billion during the first 9 months of the Financial Year 2023.
- 💡 FY22 was a record year for fintech investments with \$9.6 billion being invested across 271 deals. Fintech investments in FY23 are projected to touch \$4.3 billion across 176 deals.
- 💡 Between FY 2019 and the first 9 months of FY 2023, PE-VC investors have invested almost \$19.9 billion in Indian fintech companies.
- 💡 Payment companies raised the most amount of funding during the period spanning April 2018 to December 2022: \$6.9 billion across 122 deals, closely followed by technology-enabled lending companies (\$5.9 billion across 284 deals).
- 💡 Payment-related companies — including PayTM and BharatPe and digital payment enablers Pine Labs and RazorPay — dominated the list of top investments (by size) during the period.
- 💡 In recent months, savings/investments related startups have attracted significant interest from VC investors.

Fintech Investments



FY 2023* — Data as of December 21, 2022

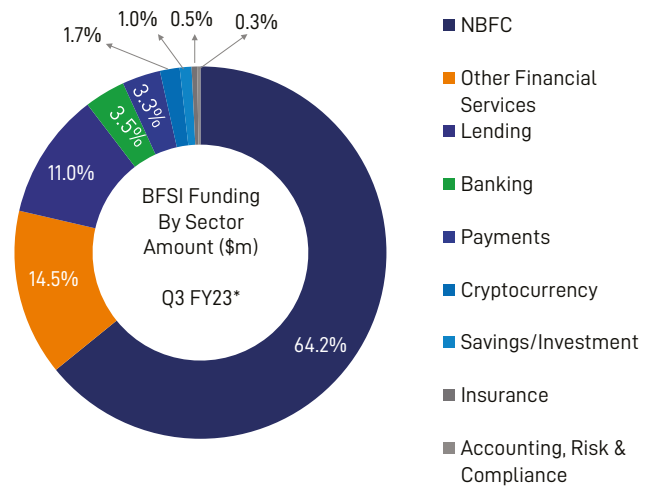
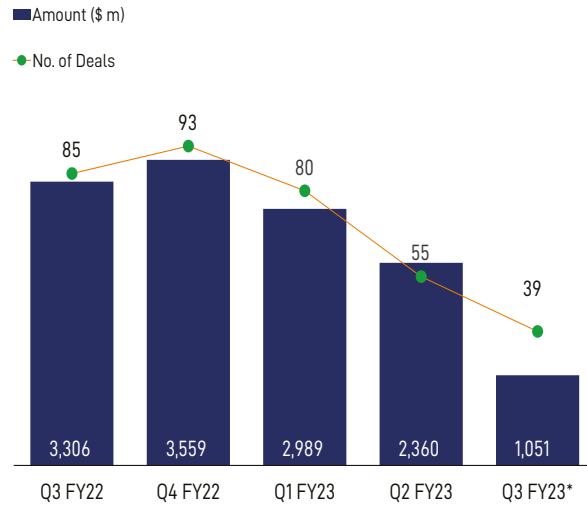
Overview – Quarterly Funding

BFSI

BFSI Funding

- 💡 The BFSI industry has attracted 39 PE-VC investments worth \$1.1 billion during the quarter ended December 2022 (Q3 FY23).
- 💡 Q3 FY23 investments are 55% lower than the \$2.4 billion invested in the immediate previous quarter (Q2 FY23) and 68% down when compared to the \$3.3 billion invested in the same period last year.
- 💡 The number of deals in the latest quarter fell 29% when compared to previous quarter (Q2 FY23) which witnessed 55 deals and represented a 54.1% decrease from 85 deals recorded in Q3 FY22.
- 💡 NBFCs raised the largest amount of funding during the quarter (\$674 million), followed by other financial services companies (\$152 million). Lending companies with \$116 million were the next favorite destination.

BFSI Investments



Q3 FY 2023* — Data as of December 21, 2022

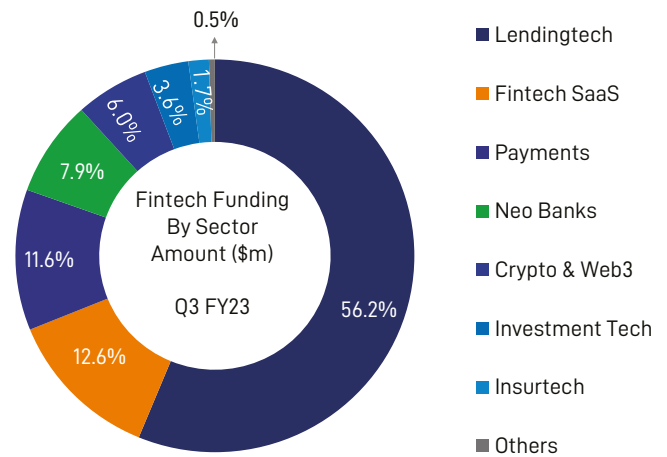
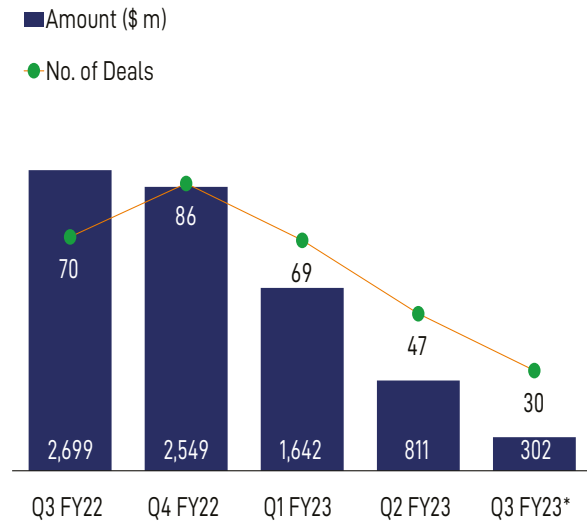
Overview – Quarterly Funding

FINTECH

Fintech Funding

- The Fintech sector witnessed 30 PE-VC investments worth \$302 million during the quarter ended December 2022 (Q3 FY23).
- Q3 FY23 Fintech investments are 63% lower than the \$808 million invested in the immediate previous quarter and 89% lower than the \$2.7 billion invested in the same quarter in FY22.
- The number of Fintech investments in the latest quarter witnessed a 35% decline from the 46 deals recorded in Q2 FY23 and a 57% decline from the 70 deals recorded in Q3 FY22.
- The \$60 million investment in Lending focused enterprise software Lentra AI, \$36 million investment in retail SME loans provider NeoGrowth, and \$20 million investment in personal loan provider KreditBee were the largest fintech deals in the third quarter of FY23.
- Technology-enabled lending companies raised the largest amount of funding during the quarter at \$170 million, followed by Fintech SaaS startups at \$38 million.

Fintech Investments



Q3 FY 2023* — Data as of December 21, 2022

INVESTMENTS - FINANCIAL SERVICES



INVESTMENTS - BFSI

NBFCs and other financial services segments witnessed growth in value terms compared to the immediate previous quarter.

The buyout of Poonawalla Housing Finance by TPG Capital dominated the value pie at \$472 million.



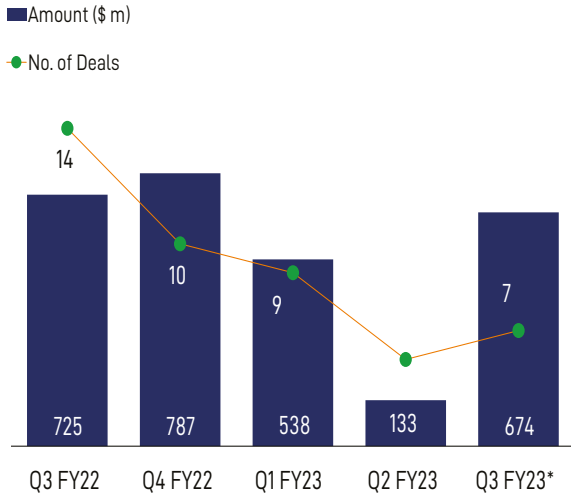
Investments – BFSI

TOP 10 INVESTMENTS

Company	Sector	Investors	Amount (\$ m)	Amount (₹ Cr)	Date
Poonawalla Housing Finance	Housing Finance	TPG Capital	472	3,900	Dec-22
Hinduja Leyland Finance	NBFC - Auto Finance	Elara Capital, Others	111	910	Oct-22
KFin Tech	Investor Services	IIFL VC, ICICI Prudential, PineBridge, Morgan Stanley, Goldman Sachs, Others	85	675	Dec-22
Lentra AI	Enterprise Software - Lending	Citi Ventures, Susquehanna International Group, Bessemer	60	489	Nov-22
NeoGrowth	NBFC - SME Loans	FMO, Others	36	300	Dec-22
KreditBee	Personal Loans - Students	MUFG Innovation Partners, Mirae Asset Global Investments, Newquest, PremjiInvest, Motilal Oswal	20	162	Dec-22
Zype	Credit Management App	Xponentia Capital, Others	18	148	Dec-22
Pillow	Crypto Platform	Jump Capital, Quona Capital, Accel India, Elevation Capital	18	148	Oct-22
Juno	Neo Bank	ParaFi Capital, 6th Man Ventures, Hashed Venture Fund, Antler India, Uncorrelated Ventures, Abstract Ventures, Mithril Capital, Others	18	148	Oct-22
Drivetrain	Enterprise Software - Financial Modelling	VH Capital, Jungle Ventures, Elevation Capital, Others	15	125	Oct-22

Investments – BFSI

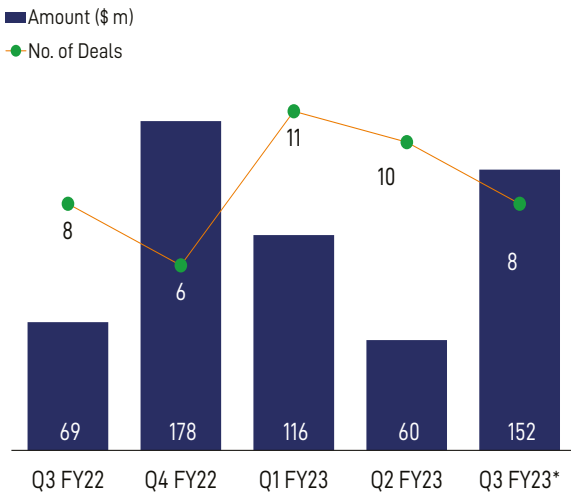
TOP SECTOR CHART



Sub Sector - NBFC:

- NBFC (Auto Finance, SME & MSME loans, EV financing)
- Housing Finance Companies
- Microfinance Institutions
- Marketplace (Life, Health, General, Agriculture, Employees – B2B)

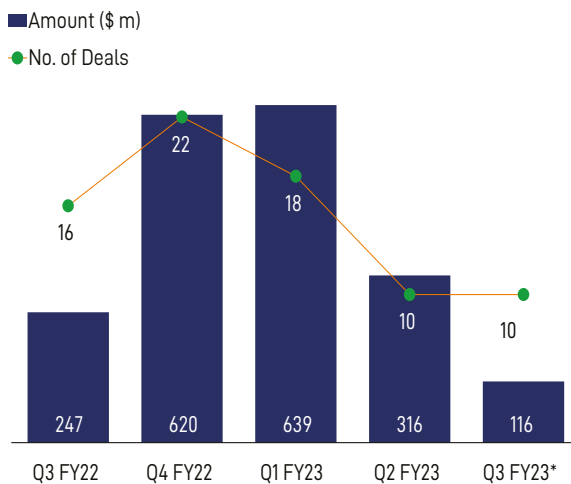
The largest investment, of \$472 million, was raised by Poonawalla Housing Finance, followed by Auto finance-focused Hinduja Leyland Finance.



Sub Sector - Other Financial Services:

- Enterprise Software (Data Analytics, API, Financial Modelling)
- Financial Services companies (Advisory Services, Investor Services, Credit Management)

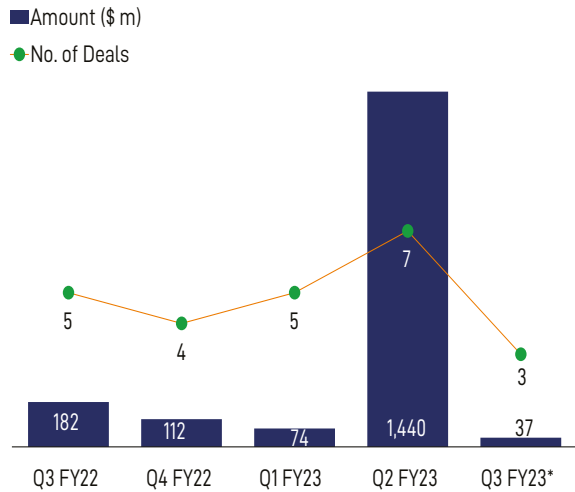
Largest investment of \$85 million was raised by KFin Tech, followed by credit management app Zype with \$18 million.



Sub Sector - Lending:

- Loans Marketplace (Personal, Education, MSME, Electric Vehicle, Gold Loans)
- Lending Software

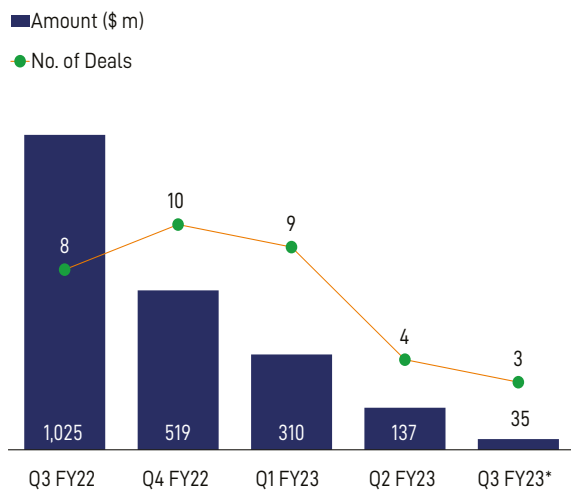
Investor interest was noticed in the personal loans segment in the latest quarter. The largest investment in the sector, of \$60 million, was raised by Cloud-based lending software provider Lentra AI.



Sub Sector - Banking:

- Small Finance Banks
- Neo Banks

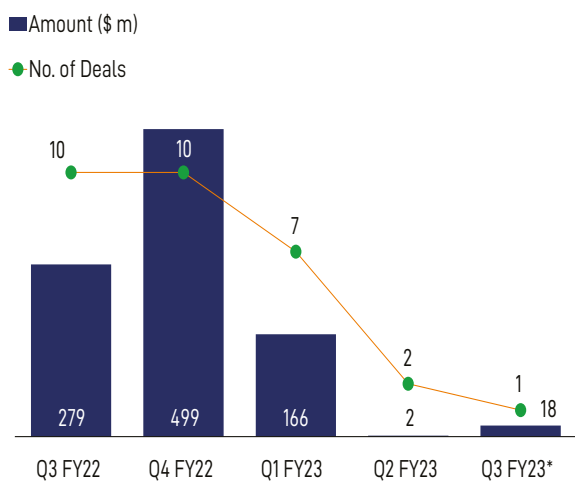
The latest quarter saw a 80% fall in Banking-related companies' investment value compared to the same quarter last year. The largest investment in the segment was \$18 million in Neo Bank Juno.



Sub Sector - Payments:

- PaaS, Billing Solution, Agent-based payment solutions

Agent-based payment solutions Payveda raised the second largest investments of \$11.5 million in Q3 FY23.



Sub Sector - Cryptocurrency:

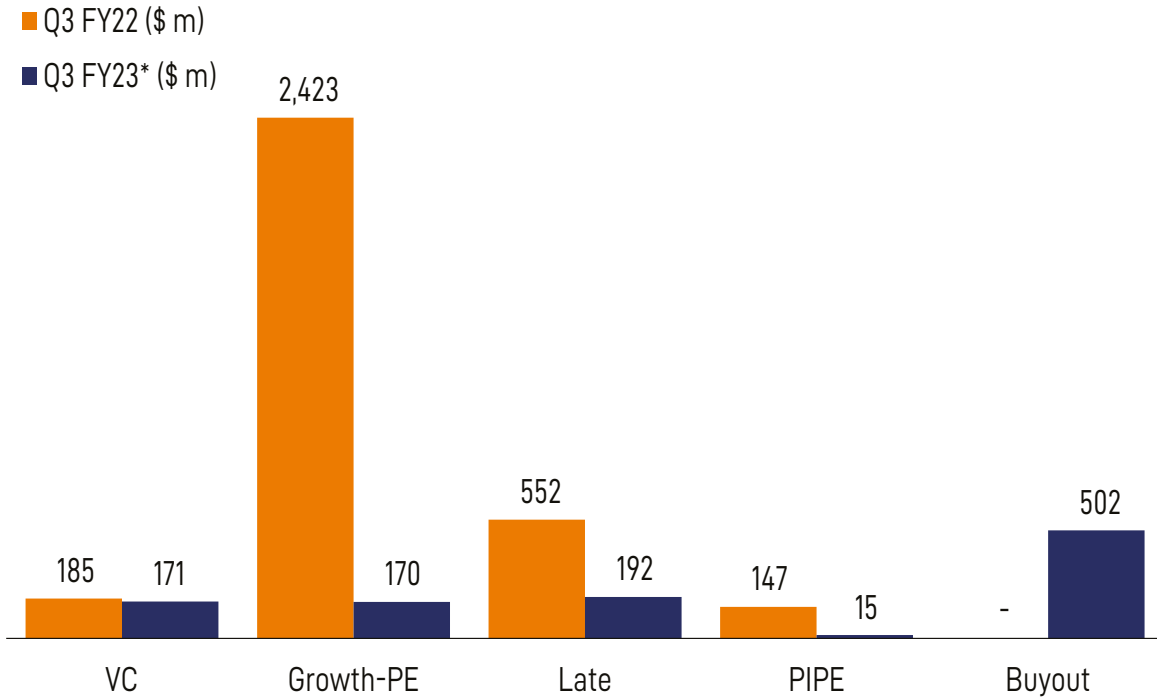
- Cryptocurrency investment platform

The sub-sector has witnessed one investment of \$18 million in crypto investment startup, Pillow.

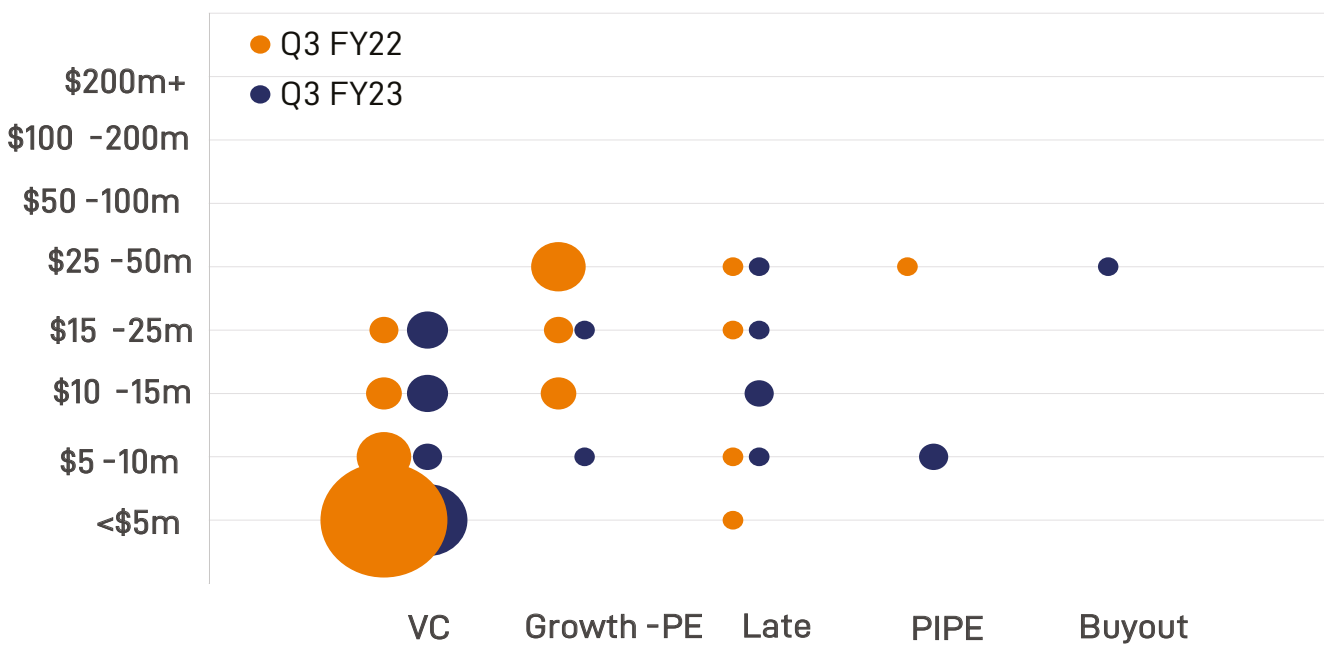
Investments – BFSI

INVESTMENTS BY STAGE & DEAL SIZE

Investments by Stage



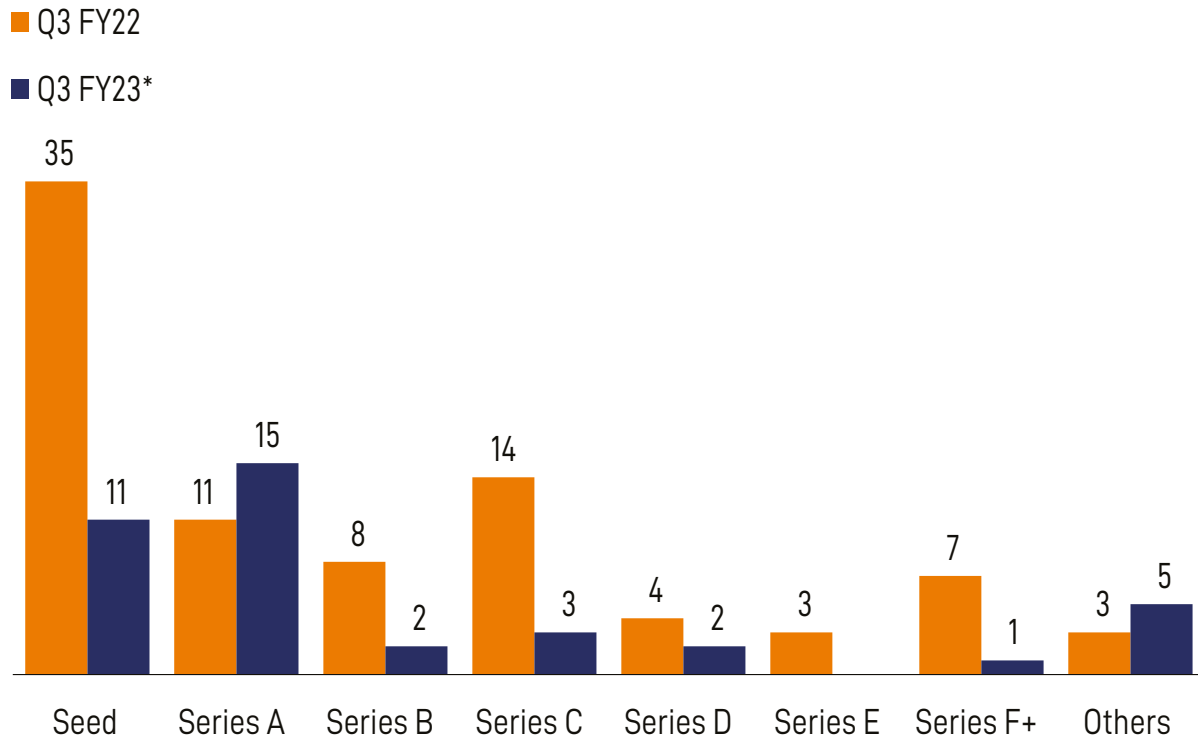
Note: Please refer to the Appendix for Definitions of Stage of Funding



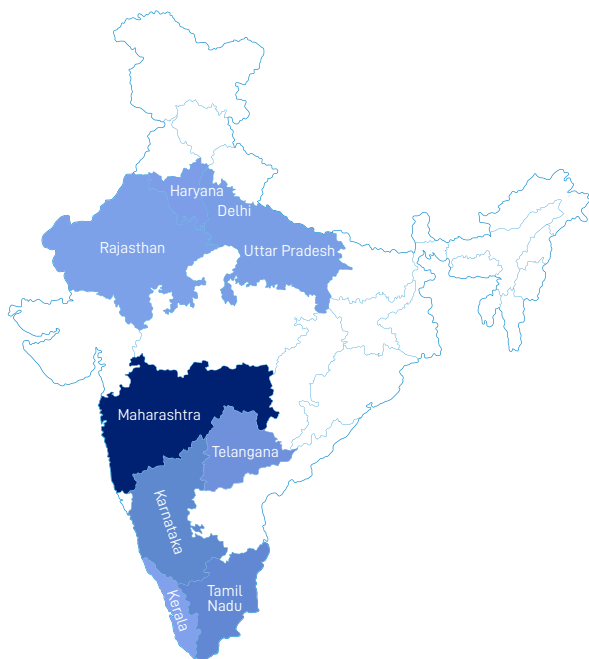
Investments – BFSI

INVESTMENTS BY ROUND & REGION

Investments by Round - No. of Deals



Investments by Region – Amount (\$ m) – Q3 FY23*



Top Cities

Cities	Amount (\$ m)
Pune	532
Bengaluru	133
Mumbai	121
Chennai	111
Hyderabad	85



INVESTMENTS - FINTECH

The value of investments in most types of Fintech companies witnessed a decline in Q3 FY23.

Embedded AI-based finance startup Lentra AI bagged the largest funding of \$60 million from Citi Ventures, Susquehanna International Group and Bessemer.

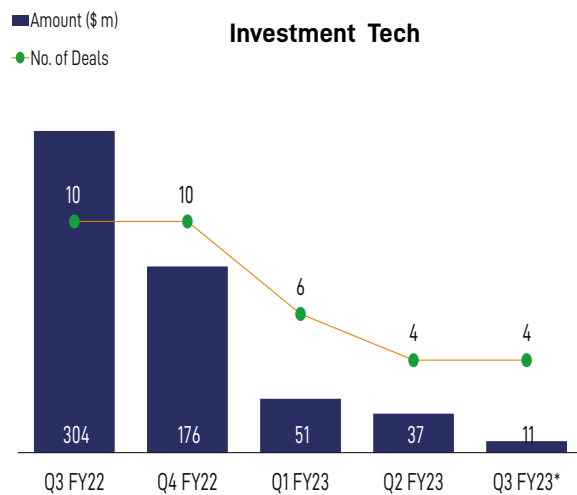
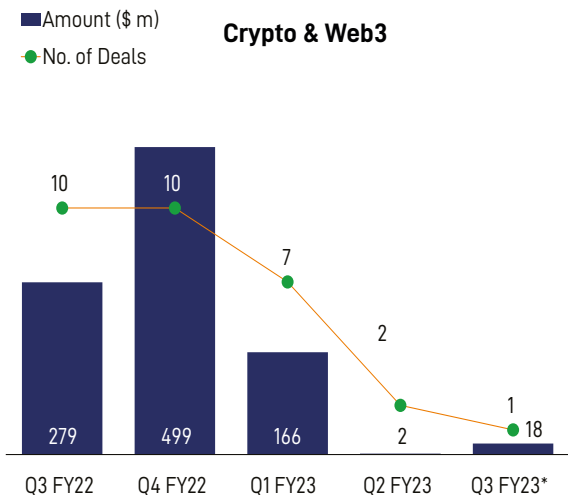
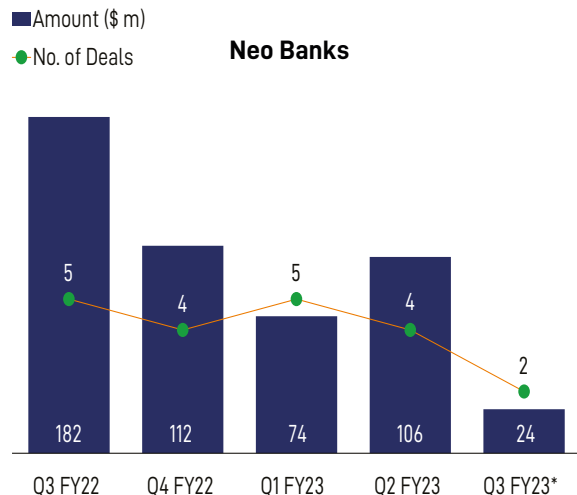
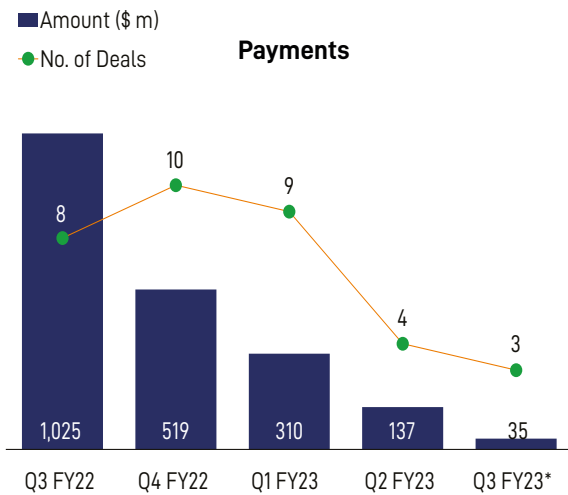
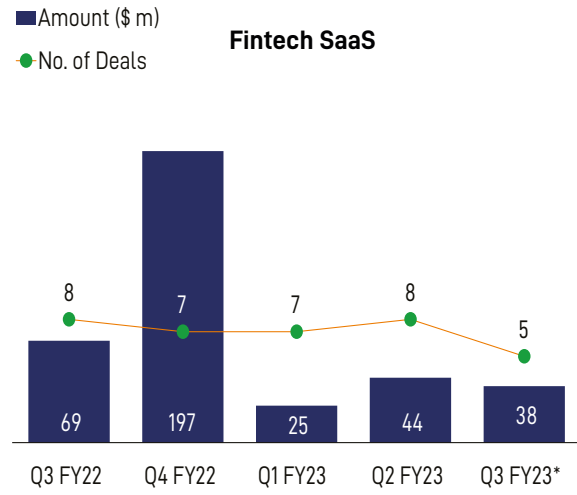
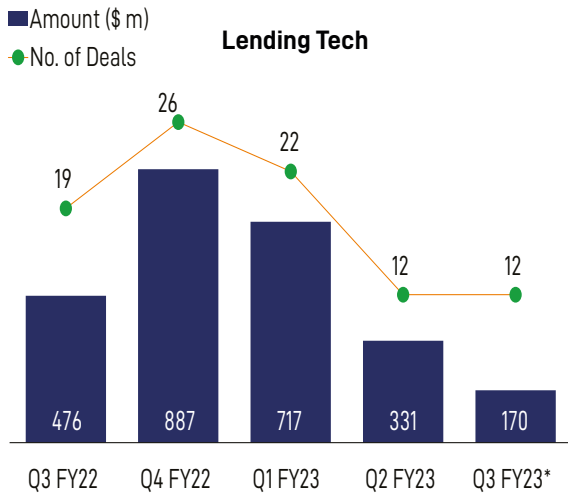
Investments – Fintech

TOP 10 INVESTMENTS

Company	Sector	Investors	Amount (\$ m)	Amount (₹ Cr)	Date
Lentra AI	Enterprise Software - Lending	Citi Ventures, Susquehanna International Group, Bessemer	60	489	Nov-22
NeoGrowth	NBFC - SME Loans	FMO, Others	36	300	Dec-22
KreditBee	Personal Loans - Students	MUFG Innovation Partners, Mirae Asset Global Investments, Newquest, PremjiInvest, Motilal Oswal	20	162	Dec-22
Zype	Credit Management App	Xponentia Capital, Others	18	148	Dec-22
Juno	Neo Bank	ParaFi Capital, 6th Man Ventures, Hashed Venture Fund, Antler India, Uncorrelated Ventures, Abstract Ventures, Mithril Capital, Others	18	148	Oct-22
Pillow	Crypto Platform	Jump Capital, Quona Capital, Accel India, Elevation Capital	18	148	Oct-22
Drivetrain	Enterprise Software - Financial Modelling	VH Capital, Jungle Ventures, Elevation Capital, Others	15	125	Oct-22
Snapmint	Consumer Loans	Negen Capital, Anicut Capital, Kae Capital, Others	12	99	Oct-22
PayVEDA	Financial Services	SphitiCap	12	95	Oct-22
Goodera	Enterprise Software - CSR Management	Omidyar Network, Nexus Venture Partners, Elevation Capital, Others	10	80	Nov-22

Investments – Fintech

TOP SECTOR CHART

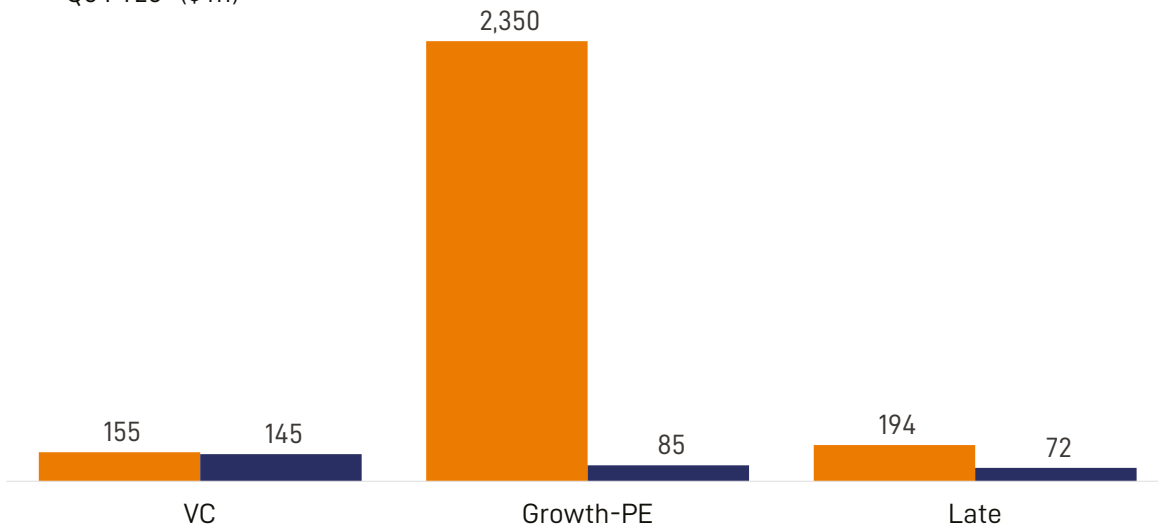


Investments – Fintech

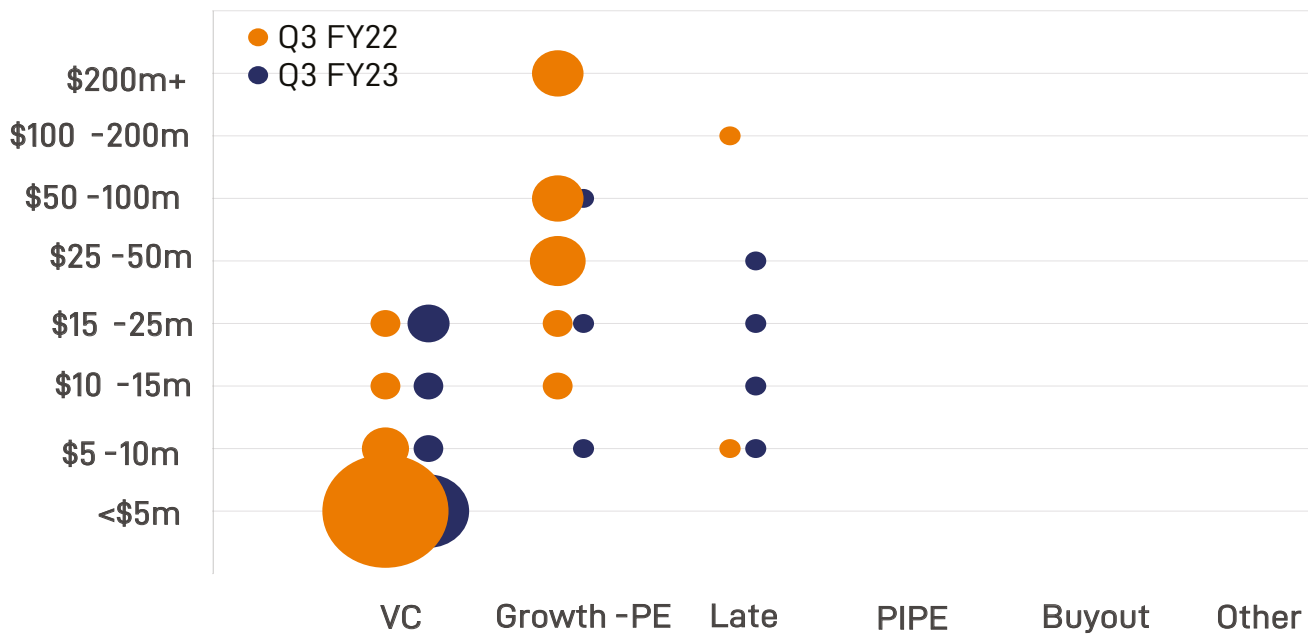
INVESTMENTS BY STAGE & DEAL SIZE

Investments by Stage

- Q3 FY22 (\$ m)
- Q3 FY23* (\$ m)



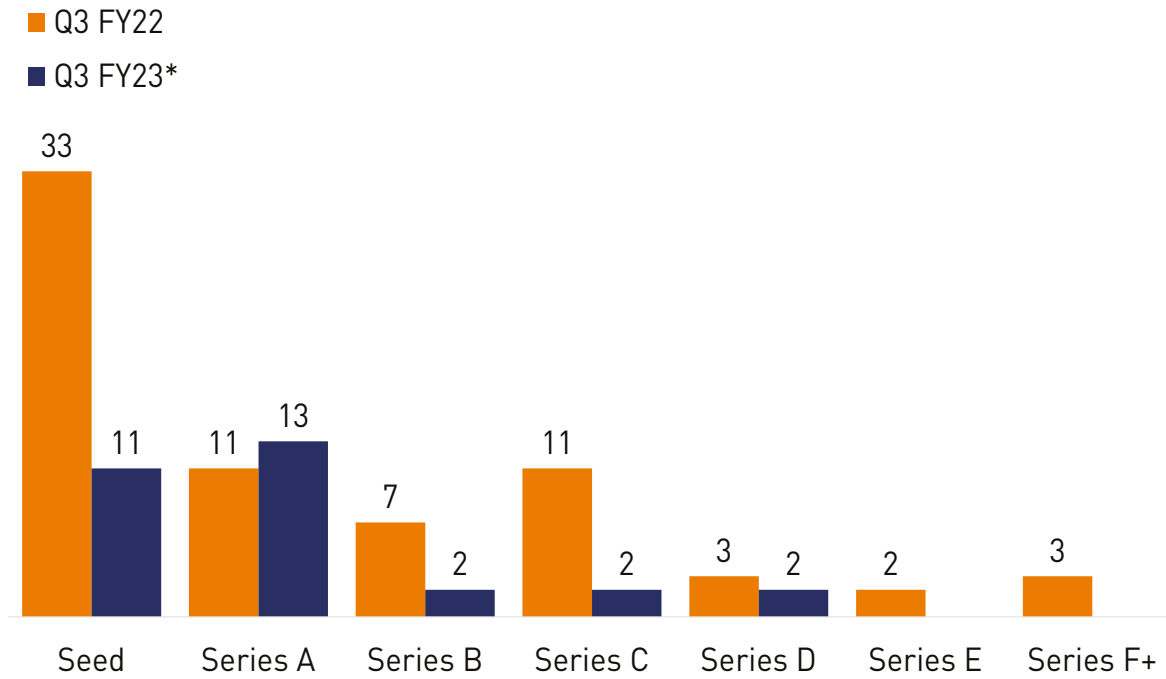
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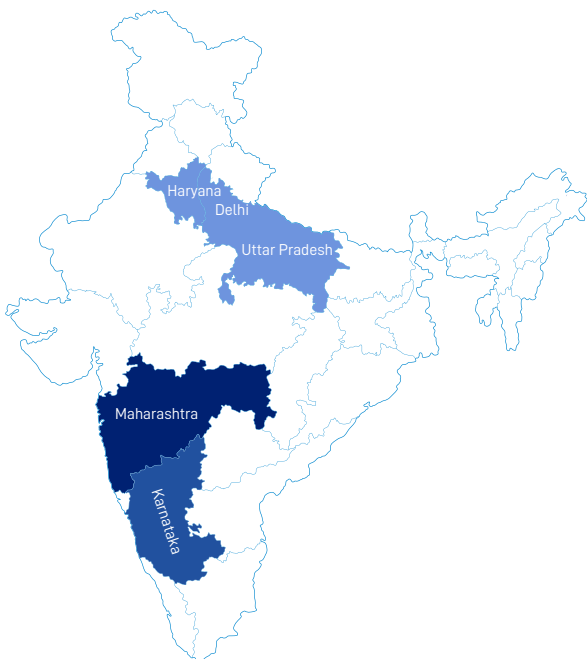
Investments – Fintech

INVESTMENTS BY ROUND & REGION

Investments by Round - No. of Deals



Investments by Region – Amount (\$ m) – Q3 FY23*



Top Cities

Cities	Amount (\$ m)
Bengaluru	103
Mumbai	98
Pune	60
Noida	17
Delhi	11



PE-VC EXITS

Financial Services companies have historically been among the most favourable sectors of PE-VC investors for providing profitable exits.

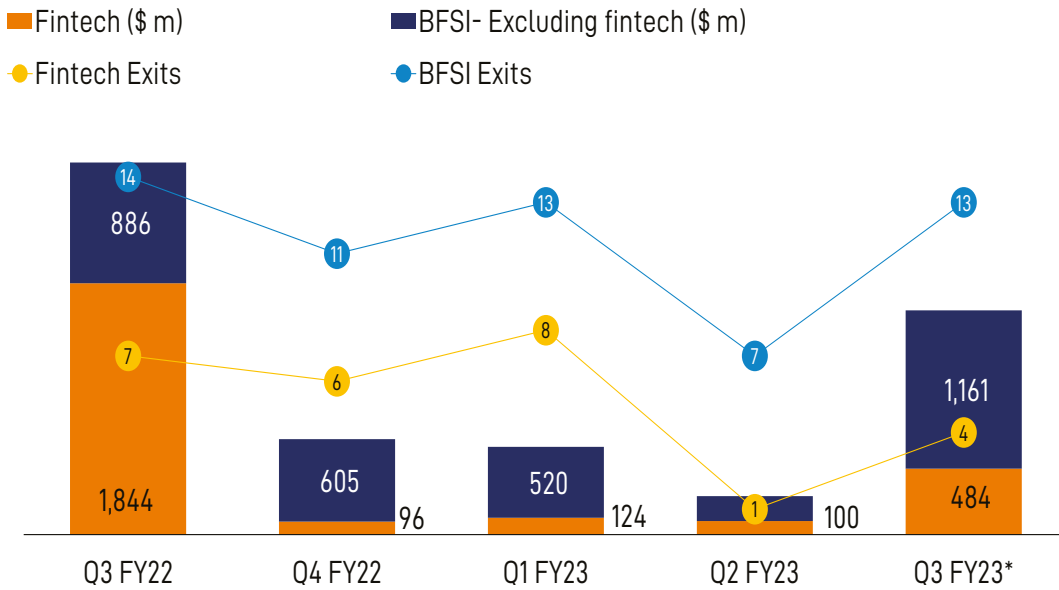
Q3 FY22 saw \$1.6 billion worth of exits. A majority of Financial Services exits during the period were through sale of stakes in mature companies via the public markets.

The largest BFSI exit was Bain Capital's partial exit of \$412 million in Axis Bank via a public market sale.

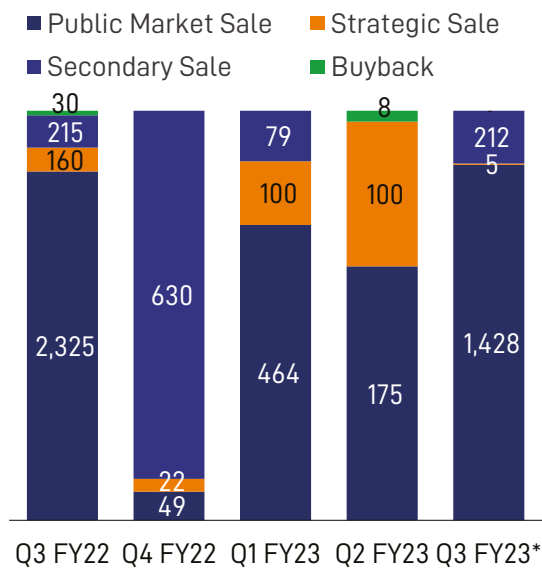
Exits

BFSI & FINTECH

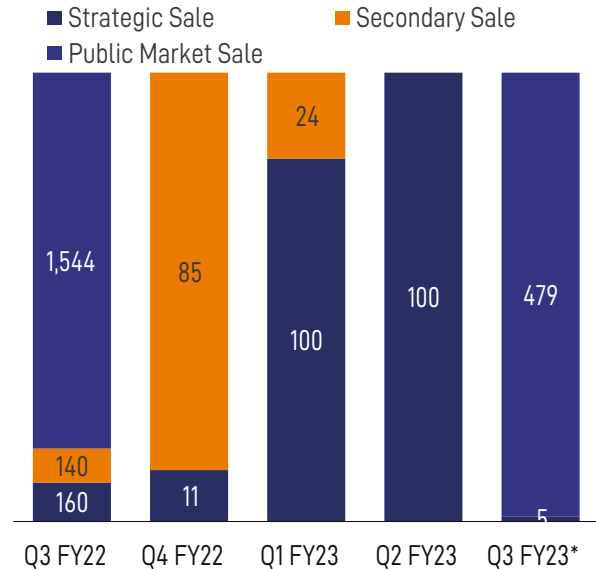
BFSI & Fintech - PE-VC Exits



BFSI Exits - By Type (\$ m)



Fintech - By Type (\$ m)



Exits

TOP EXITS

BFSI

Company	Exiting Investors	Acquirer	Amount (\$ m)	Date
Axis Bank	Bain Capital	Sale via Public Markets	412	Nov-22
PolicyBazaar	Tiger Global, SoftBank Corp	Sale via Public Markets	279	Nov-22
PayTM	SoftBank Corp	Sale via Public Markets	200	Nov-22
Five Star Business Finance	Sequoia Capital India, Norwest, Matrix Partners India, TPG Capital	Sale via Public Markets	196	Nov-22
KFin Tech	General Atlantic	Sale via Public Markets	181	Dec-22

Fintech

Company	Exiting Investors	Acquirer	Amount (\$ m)	Date
PolicyBazaar	Tiger Global, SoftBank Corp	Sale via Public Markets	279	Nov-22
PayTM	SoftBank Corp	Sale via Public Markets	200	Nov-22

DIRECTORY






PE-VC backed Fintech Companies




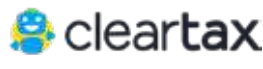






Directory

DIRECTORY OF KEY FINTECH COMPANIES

Top Fintech Companies – By PE-VC Funding Raised

Payments	Leading Tech	Insurtech
    	    	    

Crypto & Web	Fintech SaaS	Investment Tech
    	    	    

Neo Banks	Risk & Regtech	Savings tech	
    	    	   <th data-bbox="1048 1115 1441 1234">Others</th>  	Others

Top Fintech Companies – By Size and Status

Unicorn	Soonicorn	Listed
<p>Payments Pine Labs CRED RazorPay BharatPe PhonePe BillDesk Slice</p> <p>Lending Tech OfBusiness CredAvenue OneCard Oxyzo</p> <p>Insurtech Digit Acko</p> <p>Fintech SaaS Zeta</p> <p>Crypto & Web3 Polygon CoinSwitch CoinDCX</p> <p>Investment Tech Groww Upstox</p> <p>Neo Banks Open Financial Technologies</p>	<p>Lending Tech DMI Finance Stashfin</p> <p>Insurtech Turtlemint</p> <p>Fintech SaaS Khatabook M2P Fintech</p> <p>Investment Tech Navi Technologies</p> <p>Neo Banks NiYO Jupiter Money Fi.Money</p> <p>Wealth Tech IndMoney</p> <p>Risk & Regtech Clear</p>	<p>Payments PayTM</p> <p>Insurtech PolicyBazaar</p>

TOP FUNDED COMPANIES

Payments

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
PayTM	Saama Capital, Elevation Capital, Alibaba, Berkshire Hathaway	4,106	1,000	16,094	Nov-19
Pine Labs	Sequoia Capital India, New Atlantic Ventures, Altimeter Capital, Temasek, Mastercard	1,438	50	4,988	Mar-22
CRED	Sequoia Capital India, Ribbit Capital, DST Global, Alpha Wave Global	841	140	6,197	Jun-22
RazorPay	Matrix Partners India, Tiger Global, Sequoia Capital India, DST Global	832	75	6,521	May-22
BharatPe	Beenext, Sequoia Capital India, Tiger Global, Steadview Capital	620	370	2,850	Aug-21

Lending Tech

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
OfBusiness	Alpha Wave Global, Creation Investments, SoftBank Corp, Tiger Global	766	187	4,962	Dec-21
DMI Finance	Burman Family Office, NIS New Investment Solutions, NXC Corp	371	123	1,059	Apr-20
Stashfin	Abstract Ventures, Altara Ventures, RAA Y Global Investments, Snow Leopard Technology Ventures, Uncorrelated Ventures	315	270	749	Jun-22
KreditBee	Arkam Ventures, Shunwei Capital, MUFG Innovation Partners, Mirae Asset Global Investments, Newquest, PremjilInvest	300	20	N.A.	Dec-22
CredAvenue	B Capital Group, Creation Investments, Lightrock India, Lightspeed Ventures, Sequoia Capital India	239	137	1,281	Mar-22

Insurtech

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
PolicyBazaar	Alpha Wave Global, Chiratae Ventures, IIFL VC, SoftBank Corp, Temasek, Tencent, Tiger Global	770	N.A.	4,035	Apr-22
Digit	A91 Partners, Faering Capital, Fairfax Holdings, IIFL VC, Sequoia Capital India, TVS Capital, Wellington Management	627	54	3,966	May-22
Acko	Accel India, Elevation Capital, General Atlantic, Lightspeed Ventures, Multiples PE	462	255	1,129	Oct-21
Turtlemint	Blume Ventures, Nexus Venture Partners, Sequoia Capital India	201	120	953	Apr-22
RenewBuy	Amicus Capital, Apis Partners, Evolve India, IIFL VC, Lok Capital	132	60	200	Jan-22

Fintech SaaS

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Zeta	SoftBank Corp	270	260	N.A.	Oct-21
Khatabook	B Capital Group, Sequoia Capital India, Tencent, Y Combinator Continuity Fund	187	100	600	Aug-21
3i Infotech	Apax Partners	136	136	136	Dec-20
Perfios Software	Bessemer, Warburg Pincus	127	70	429	Feb-22
M2P Fintech	Beenext, Better Capital, Omidyar Network, Tiger Global	109	4	549	Jan-22

Crypto & Web3

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Polygon	Coinbase Ventures, Sequoia Capital India, SoftBank Corp, Tiger Global	451	450	10,000	Feb-22
CoinSwitch	Andreessen Horowitz, Coinbase Ventures, Ribbit Capital, Sequoia Capital India, Tiger Global	302	260	1,864	Oct-21
CoinDCX	B Capital Group, Coinbase Ventures, Steadview Capital	248	136	2,217	Apr-22
Vauld	Coinbase Ventures, Pantera Capital, Valar Ventures	25	25	N.A.	Jul-21
Pillow	Jump Capital, Quona Capital, Accel India, Elevation Capital	21	18	N.A.	Oct-22

Investment Tech

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Groww	Ribbit Capital, Sequoia Capital India, Tiger Global, Y Combinator Continuity Fund	393	251	3,010	Oct-21
IndMoney	Dragoneer Investment Group, DST Global, Sixteenth Street Capital, Steadview Capital, Tiger Global	144	86	652	Jan-22
Scripbox	Accel India, Accel USA, InnoVen Capital, Omidyar Network	67	21	N.A.	Jan-22
Smallcase	Beenext, Blume Ventures, PremjiInvest, Sequoia Capital India	66	42	205	Aug-21
Navi Technologies	Gaja Capital, IFC	57	27	569	Apr-20

Neo Banks

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Open Financial Technologies	3ONE4 Capital, Beenext, IIFL VC, Tiger Global	185	50	1,015	May-22
NiYO	Accel India, Lightrock India, Tencent	179	30	501	Jul-22
Jupiter Money	3ONE4 Capital, Matrix Partners India, Sequoia Capital India, Tiger Global	166	4	N.A.	Apr-22
Fi.Money	Alpha Wave Global, B Capital Group, Sequoia Capital India	146	71	539	Aug-22
Zolve	Accel India, Blume Ventures, Lightspeed Ventures, Tiger Global	55	40	210	Oct-21

Risk & Regtech

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Cleartax.in	Elevation Capital, Founders Fund, Kora Management, Sequoia Capital India	141	75	813	Oct-21
OneAssist Consumer Solutions	Lightspeed Ventures, Moonstone Investments, Sequoia Capital India	38	6	154	Feb-19
Signzy	Arkam Ventures, Stellaris Venture Partners, Kalaari Capital	38	26	N.A.	Sep-22
Tookitaki	Illuminate Financial, Rebright Partners, Jungle Ventures, Blume Ventures	20	12	N.A.	Nov-19
IDfy	Beenext, Blume Ventures, Dream Incubator, NB Ventures, NEA	20	12	66	Sep-21

Savings Tech

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Jar App	WEH Ventures, Arkam Ventures, rocketship.vc, Capiar Investments, Tiger Global	60	23	300	Aug-22
Property Share	Asuka, Beenext, Lightspeed Ventures, Pravega Ventures, WestBridge	49	47	172	Jun-22
Siply	Qi Ventures, Earlsfield Capital	19	19	60	Jun-22
Strata	Sabre Partners, Mayfield, Kotak Investment Advisors, Elevation Capital	7	6	18	Jun-21
Multipl	Growx Ventures, IIFL VC, Blume Ventures	3	3	6	May-22

Others

Company	Select Investors	Total Funding (\$ m)	Latest Round (\$ m)	Valuation (\$ m)	Date
Solv	SBI Ven Capital, StanChart PE	47	40	N.A.	Jun-22
Basix Sub-k iTransactions	Norwegian Microfinance Initiative, Accion International	21	11	75	Oct-19
OneCode	WaterBridge Ventures, General Catalyst Partners, Nexus Venture Partners, Sequoia Capital India	19	13	N.A.	Mar-22
Impact Guru	Beyond Next Ventures, Dream Incubator, HealthQuad, Apis Partners	17	15	54	Apr-21
MyMoneyMantra	Vaalon Capital	15	15	50	May-19

APPENDIX

Definitions of Stage Used Venture Capital:

Early Stage:

First/Second Round of institutional investments into companies that are:

- Less than five years old,
AND
- Not part of a larger business group,
AND
- Investment amount is less than \$20 m

Growth Stage:

- Third/Fourth Round funding of institutional investments
OR
- First/Second Round of institutional investments for companies that are >5 years old and <10 years old OR spin-outs from larger businesses,
AND
- Investment amount is less than \$20 m

Private Equity:

PE investment figures in this Report include Venture Capital (VC) type investments.

Growth-PE:

First-to-Fourth round investments >\$20 m into companies <10 years old, OR Fifth/Sixth rounds of institutional investments into companies <10 years old

Late Stage:

Investment into companies that are over 10 years old, OR
Seventh or later rounds of institutional investments

PIPEs:

PE investments in publicly-listed companies via preferential allotments/private placements,
Acquisition of shares by PE firms via the secondary market

Buyout:

Acquisition of controlling stake via the purchase of stakes of existing shareholders

ABOUT DATA PARTNER

Venture Intelligence, a division of TSJ Media Pvt. Ltd. is the leading provider of data on private company financials, transactions and their valuations. Our research is used extensively by Private Equity – Venture Capital (PE-VC) industry practitioners, entrepreneurs, CXOs of large corporations, financial and strategic investors, the media as well as government and regulatory agencies. Our customers include leading PE-VC Firms, Industry Associations, Limited Partners, Investment Banks, Corporate Law Firms, HR Services Firms, Corporations and Consulting Firms.

Data for this report is drawn primarily from the Venture Intelligence PE-VC Deal Database, which includes data on PE-VC investments and exits tracked by Venture Intelligence since 1998.

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