

MARCH NEWSLETTER 2025

venturesoul.in

This newsletter intends to capture some of the key updates and trends in the New Economy ecosystem in India. This newsletter should be treated as a knowledge sharing memo and not as any investment solicitation.



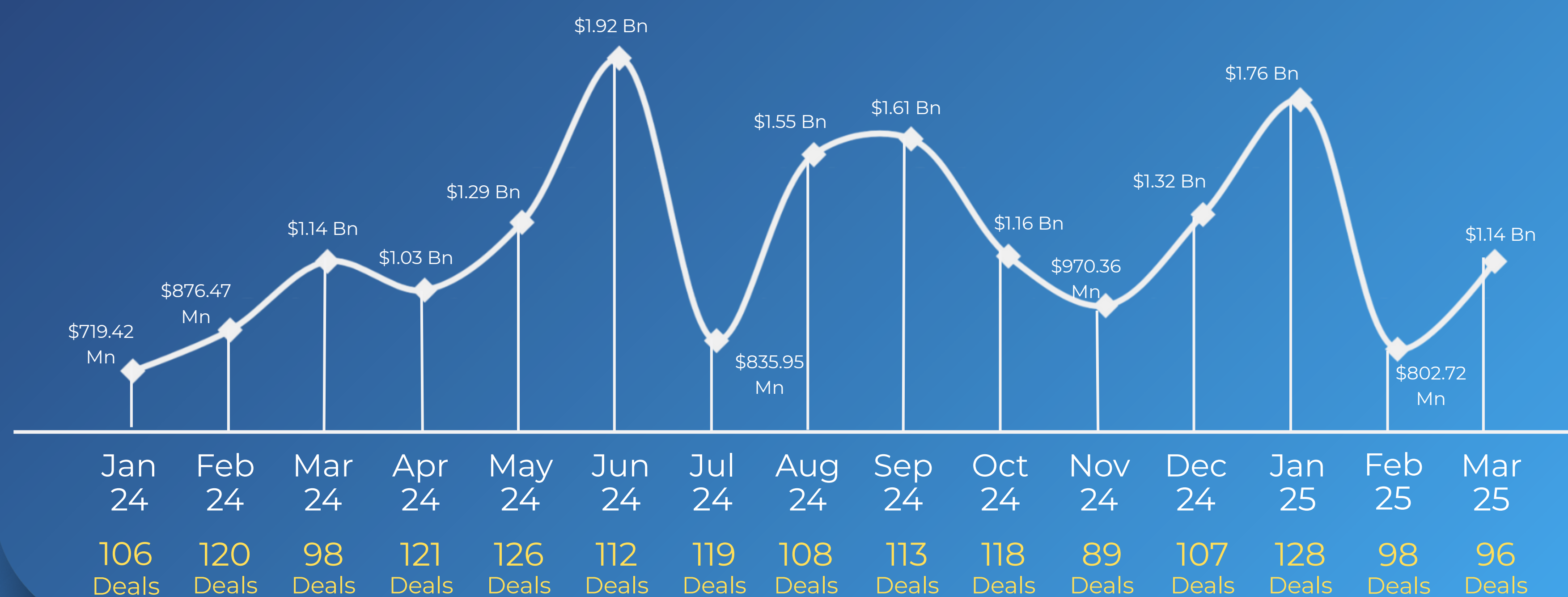
About VentureSoul (SEBI registered Cat-II AIF): We are a New Economy focused credit fund with a target corpus of INR 600 Cr (300 Cr + 300 Cr greenshoe).

Credit fund serving the New Age Economy client group with focus on structured finance.

Recently concluded our fifth investment from our maiden fund.

KEY TRENDS

Month-On-Month Funding Jan 2024 - Mar 2025



Source: Entrackr Reports on Monthly Funding



The funding for Companies in the New Economy Segment ("Segment") picked up in March 2025. Overall, there was ~USD 1.1 Bn raised in March 2025, which took the funding for the quarter at ~USD 3.7 Bn.



Notable deals of the month; Zolve, DarwinBox, Leap Finance, Insurance Dekho, MaxIQ, Nivara Home Finance, Pilgrim, Euler Motors, and many others.



VS insight – Debt gaining prominence, evinced by the fund raise of Neobank player Zolve. Out of ~USD 251 Mn raised - ~USD 200 Mn was debt and ~USD 51 Mn was equity.



HNI's and Family Offices are increasingly flocking to AIFs as a preferred mode of investments with total investment commitment reaching over INR 13 trillion till December 2024, marking a 27 percent year-on-year increase.

IPO, M&A, & Future Outlook



Slow IPO activity since February 2025, however the Segment is lining up for filing documents with SEBI anticipating uptick in the market



~40 M&A transactions in Q1 2025 with total value of ~USD 27.5 Bn. This was the busiest quarter for M&As since first quarter of 2023. Growth being primarily driven by PE backed acquisitions.













Public market access narrowed for the Segment and with US interest rates likely to remain elevated in the near term, see incremental opportunities on the debt side.



The Segment is razor focused on controlling costs and sacrificing exponential growth for a path towards profitability.

Top 10 Biggest Indian Startup Funding Rounds [Q1 2025]

Company	Sector	Deal Value (Mn)	Key Investors
 innovaccer	Healthtech	275	B Capital Group, Generation Investment Management, Kaiser Permanente, Microsoft
 Zolve	Fintech	251	HSBC, SBI, GMO, DG Daiwa
 darwinbox	Enterprise Tech	140	Partners Group, KKR, Gravity Holdings
 INFRA.MARKET	Real Estate Tech	121	Tiger Global Management, Evolve, Nuvama, Capri Global
 LEAP SCHOLAR	Edtech	100	HSBC
 netradyne	Logistics	90	Point72 Private Investments, Qualcomm Ventures, Pavilion Capital
 ToneTag	Fintech	78	ValueQuest Scale Fund, Iron Pillar, Elevate Capital
 udaan	Ecommerce	75	M&G Prudential, Lightspeed Venture Partners
 InsuranceDekho	Fintech	70	Beams Fintech Fund, Mitsubishi UFJ Financial Group (MUFG), BNP Paribas Cardif
 LEAP SCHOLAR	Edtech	65	Apis Partners, Owl Ventures, Jungle Ventures, Peak XV Partners

Source: Inc42 (Note: Q1 2025 data is based on startup funding deals recorded between January 1 and March 26, 2025)

Highlights of Q1 of 2025



The funding for this quarter has been the highest in comparison to Q1 2024 and Q1 2023. The top funded sectors during the quarter have been; Ecommerce, Enterprise Tech, Health Tech, AI, and Fintech.



The funding rounds are increasingly favouring late-stage companies, with proven business models and track record.



There were no new unicorns in the quarter, reflecting a more cautious valuation environment among investors.

Stage Wise Indian Startup Funding [Q1 2025 Vs Q1 2024]

Investment Stage	Funding Amount	YoY Change (%)	Deal count	YoY Change (%)
Seed Stage	\$188 Mn+	18%	104	16%
Growth Stage	\$1 Bn+	7%	68	-4%
Late Stage	\$1.8 Bn+	80%	38	9%

Source: Inc42 (Note: Q1 2025 data is based on startup funding deals recorded between January 1 and March 26, 2025)