

Venture Capital Deal Value in India at All-Time High of \$39.1bn

2021 Saw Higher Deal Value than 2020 and 2019 Combined

Today [Preqin](#), the global leader in alternative assets data, tools, and insights, published its [India Territory Guide 2022](#). The Territory Guide series, covering select markets globally, are short and snappy reports, aimed at helping global investors understand the private markets in the respective region by providing an overview of the current fundraising environment, opportunities, risks, and major trends.

Global investors witnessed a year of milestones for India's venture capital (VC) industry in 2021, with a record number of deals, exits and fundraising activities. This growth was propelled by a combination of factors, such as the nation's demographics, government initiatives to make India a desirable investment destination, and accelerated digital adoption.

Over the past few years, private capital investors globally have demonstrated their confidence in India as one of the most promising growth economies. In September 2021, the total AUM for India-based private capital funds was a record \$70.5bn, up by 2.2x from a decade ago. Private equity and VC make up almost 60% of private assets in India, with assets under management (AUM) of \$40.5bn. This represents nearly 30% growth from 2020 alone, and 50% growth from five years ago.

Despite the slowdown in VC markets globally, momentum in India has been maintained so far in 2022, with investment levels in the first four months on track to equal 2021's record levels, and fundraising already close to 2021 levels, with \$1.7bn raised in the year to April 2022.

Key findings

- **Aggregate VC deal value** in India reached an all-time high of \$39.1bn in 2021, surpassing the values of 2020 and 2019 combined, when the aggregate deal values were \$11.5bn and \$15.0bn respectively. The number of VC deals in 2021, at 1550, grew from 1120 in 2020, while the average deal size more than doubled from \$10.2mn in 2020 to \$25.2m in 2021.
- **The aggregate exit value** for VC-backed deals scaled a record high of over \$13bn, up from \$2.9bn in 2020. India's increasing attractiveness as an investment destination has opened more pools of capital from global investors, providing more exit opportunities.
- **India's share of global VC funding** nearly doubled, from 3.6% in 2020 to 5.6% in 2021. This catapulted India's venture capital ecosystem onto the global stage and forced investors to pay attention to the region.

Geetanjali Bhalotia, Head of APAC Research at Preqin, says: "The long-term outlook for Indian venture capital is positive as investors are rushing to cash in on its emergence as an entrepreneurial nation. Despite public market trends indicating some headwind for venture capital, investors will likely continue to partake in India's growing investment landscape at a more measured pace of dealmaking, with an emphasis on high-quality companies."

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