

PEs BACK NEWER START-UPS

Fund flows into Indian start-ups of all hues are slowing down, reports **Deborshi Chaki** in Mumbai. The first six months of 2016 have seen them attract just \$2.95 billion compared to \$3.52 billion in the same period last year. However, the funds have been invested across many more ventures. Data from Trakin shows the number of transactions, across the entire gamut of segments, has risen to 537 this time around from 379 last year.

Pre-series A and seed-funding rounds accounted for the highest volumes of 332 deals — that's a chunky 61%. As Rohit Chokhani, founder of White Unicorn Ventures, a Mumbai-based VC firm points out, investors appear to be more comfortable backing smaller ventures

than taking on too much risk. "Several venture capital firms are asking start-ups to close out some bridge funding before they commit to bigger sums," Chokhani observes.

Consumer Internet companies continue to be very popular; they accounted for 54% of volumes. Among other verticals that VCs are supporting include e-retailers. While 2015 was a record year for Indian start-ups with more than \$9 billion finding its way into early stage companies investor sentiment is turning somewhat cautious leaving several investee firms in a spot. Market watchers say big ticket investments would be few and far between.

SPREADING IT THIN

