

India Opportunity

The Promise of Next Decade



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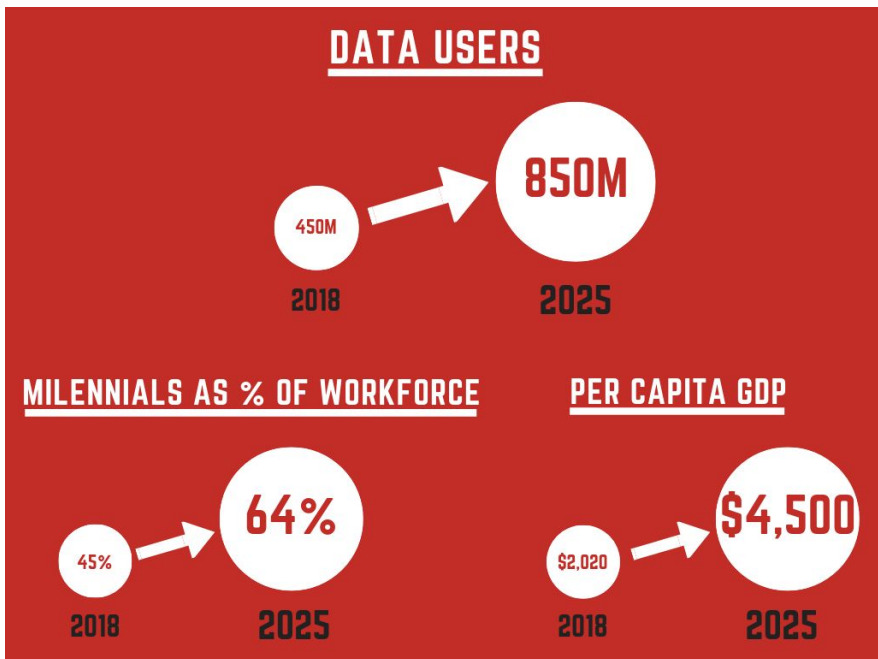
EXECUTIVE SUMMARY

India has witnessed strong economic growth in last two decades; but in last 3 years, government has brought several landmark reforms to also achieve fiscal stability (deficit & inflation) while continuing to grow at a strong rate. This, in our opinion, makes India an attractive long-term bet for financial investors over the next decade.

CONFLUENCE OF MEGATRENDS TO LEAPFROG DIGITAL INNOVATION

What is unique about India in the next decade is that it is likely to see a confluence of several structural megatrends which, in our opinion, will leapfrog digital innovation & digital consumption in the country. The three most critical trends in our opinion are:

Chart 1: India data users, millennials and per capita GDP growth



Source: Industry Report

- a) **Digital revolution led by JIO and India Stack:** India has witnessed rapid digitalization in last 3 years driven by significant push from JIO & India Stack.

In last 2 years, data users have nearly tripled to 460M, data prices have reduced by c98%, and data consumption has increased by 11x. By 2025, India's data user base will almost double to reach 850M.

In addition, the push on India Stack created a massive digital infrastructure in the country, creating a biometric identity (Aadhaar) for 1.1B people, facilitating 6.6B eKYC transactions & 2.3B UPI transactions.

In next decade, India will not only witness a significant increase in the base of online users but also see a rapid maturing of their internet age, which will be crucial for monetization. We expect this to completely change the way people consume various products & services, ushering India into a true digital era & driving unprecedented growth in online consumption.

We believe that just like how economic reforms in 1991 proved pivotal in pushing India's economic growth, the digital initiatives taken in 2016 (JIO, India Stack, demonetization) will prove pivotal in hyper-accelerating India's digital economy over the next decade. *If 1991 made India an economic superpower, 2016 will make India a digital superpower.*

- b) **Millennials changing the face of consumption:** India will have 410M millennial consumers by 2020, contributing more than \$330B to total consumption expenditure. By 2025, they will encompass 64% of the workforce. This will drive an increase in their spending power & will make them prime customers for new age businesses.

This change in makeup of Indian consumers will give rise to several new consumption models such as the shared economy, rentals, challenger brands, social commerce (alternate retail), subscription models, entertainment, etc.

- c) **Inflection in consumption expenditure:** As India's per capita GDP more than double to reach \$4,500 level by 2025, we expect India's consumption expenditure to grow disproportionately in the next decade driven by two key structure shifts.

First is the progression in India's socio-economic classes. By 2025, the number of affluent (& Elite) households is expected to increase to 49M contributing 40% to overall consumption expenditure. In addition, the number of struggling households (income of < \$2.5K) is expected to reduce to 18% from 31% currently, giving rise to a significant layer of aspirers & the next billions in the middle.

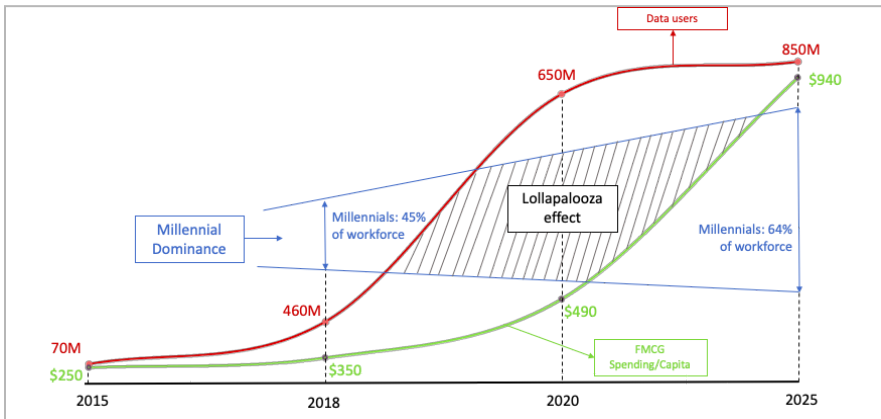
Second is India's upward movement on the S-shaped growth curve in per capita spending. India is currently at an inflection point of the S-shaped consumption curve, and we expect per capita spending to grow by almost 4x in next 7 years with only a 2x increase in per capita GDP.

Unlike China, in India, the impending rise in consumption expenditure is preceded by an unparalleled growth in data penetration. This implies that as consumer spending

accelerates in the next decade, a large portion of these consumers will already be online and digital companies will likely capture a significant share of the uptick.

Hence, we believe that India is likely to witness a unique golden era of sorts in the next decade, wherein the confluence of three megatrends - data penetration, millennial dominance & spurt in consumption expenditure - will exponentially drive digital consumption and will benefit companies which are either driving or leveraging digital innovation.

Chart 2: Confluence of Megatrends - The Lollapalooza Effect



Source: Kalaari Research

STARTUP ECOSYSTEM POISED FOR SUCCESS

Last decade in India can be characterized as the first phase of Venture Capital (VC) led startup innovation in the country. During this period, VCs invested over \$35B in startups and created over \$90B in value. However, for most of this period, the online consumer base was small, the digital infrastructure was nascent, and most of the startups were Indian adaptations of successful companies in mature markets.

In our opinion, while last decade laid the foundation of the startup ecosystem, it's the next decade which will actively capitalize on it. With the launch of JIO in September 2016 and the government's push on digital initiatives like India Stack & UPI, both online consumer base & digital infrastructure are maturing rapidly. This is providing a much-needed impetus to the start-up ecosystem, which itself has now evolved to start solving for Indian masses & create a much broader impact.

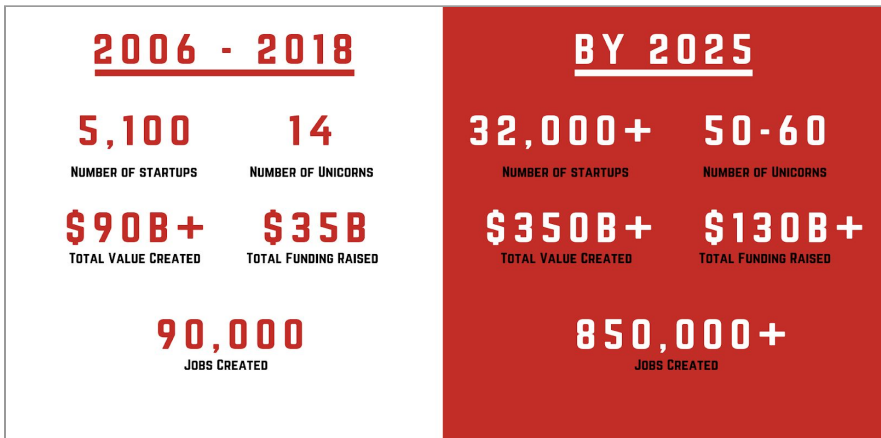
In the last ten years, startups have created more than 90k jobs & spent significant capital in training talent across several core functions, thereby creating several thousand leaders who now have first-hand experience of building for scale & solving for speed. A lot of these leaders are now turning into entrepreneurs. A quick research done by Kalaari shows that the employees coming out of the top 25 startups in India have launched more than 1,350 startups in the last two years. These (seasoned) entrepreneurs, in our opinion, bring strong industry insights to the table, have an innate

understanding of the problem they are trying to solve, and carry significant execution experience. All of this, in our opinion, significantly increases the chances of success for this next generation of startups. What this also does is provide the right kind of foundation to this new generation of entrepreneurs to start solving for 'Indian masses' rather than plainly copy global trends.

In addition to maturing entrepreneurs, the middle mile funding gap in India is also improving. We are seeing not only several new mid-stage & late-stage investors entering India but also several early-stage investors writing mid-stage cheques. In the last three years (2015-2018), \$7B has gone into mid-stage funding and \$15B have gone into late-stage funding. The concentration of funds have also reduced creating equal opportunities for startups. This, in our opinion, will have a 2-fold effect on the success of startups in India: a) the mortality rate of startups at every stage will likely reduce, thereby increasing the net success rate of the funnel; and b) most segments will likely see emergence of 2-3 large players rather than 1 dominant player.

Consequently, we expect the growth in startups to accelerate. By 2025, we expect the number of startups to cross 32,000, creating more than 850,000 jobs in the process. We expect total funding to increase to \$130B+ and total value creation to exceed \$350B. We expect innovation to be more broad-based during the next decade and several new sectors to emerge. We expect India to have 50-60 unicorns by 2025 compared to around 160 unicorns in China today. In conclusion, we believe that we are still at the dawn of digital innovation in India. The day has only begun!

Chart 3: Startup Landscape: 2025 vs. 2018

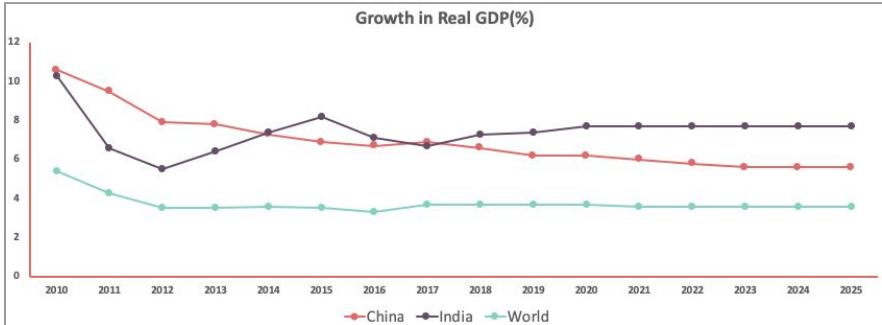


Source: Kalaari Research

INDIA TO WITNESS STRONG & STABLE GROWTH

India entered the era of rapid growth post economic reforms in 1991, and in 2015 it became the fastest growing economy surpassing China.

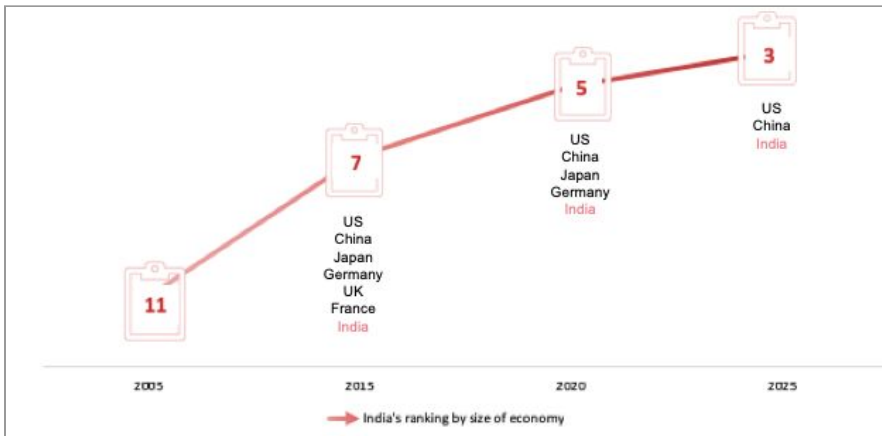
Chart 4: Real GDP Growth (%) - India vs. China vs. RoW



Source: IMF

We believe that this is the beginning of India's stride towards becoming an economic superpower and joining the league of the US & China.

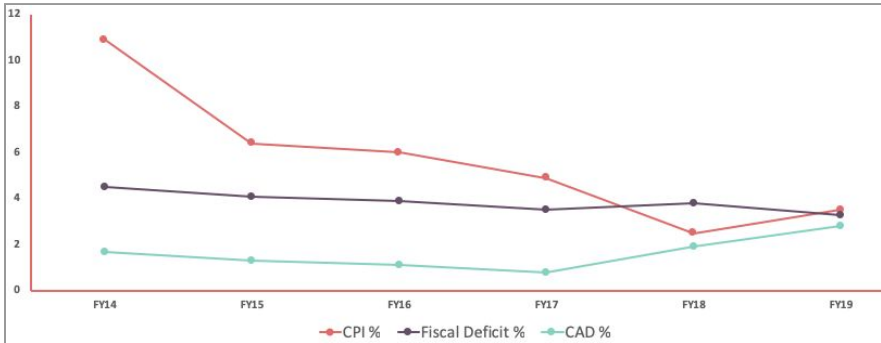
Chart 5: India's Ranking by Size of Economy



Source: World Bank

It is important to note that this unprecedented growth is also accompanied by a reduction in country risk in the form of declining fiscal deficit & stable inflation.

Chart 6: Change in Deficit & Inflation



Source: RBI

India's government and central bank have always taken a prudent fiscal approach. Prime examples of this approach are initiatives such as GST and demonetization. While these initiatives gave a short-term shock to the economy, they proved pivotal in keeping India's deficit under control by improving tax collections significantly. Number of income tax filings increased by ~20%, and 30% new SMEs came into the tax net under GST initiative. It demonstrates that India is determined to take steps that are right for the long-term stable growth.

We believe that India has taken a prudent approach to maintain the right balance between rapid growth and stability (inflation & deficit), and it is this approach which, in our opinion, makes India an attractive long-term bet for the next decade.

CONFLUENCE OF MEGATRENDS TO LEAPFROG DIGITAL INNOVATION

In addition to the stable economic backdrop, India is likely to see a confluence of several structural megatrends which in our opinion will leapfrog digital innovation & digital consumption in the country.

We discuss three such trends in this section:

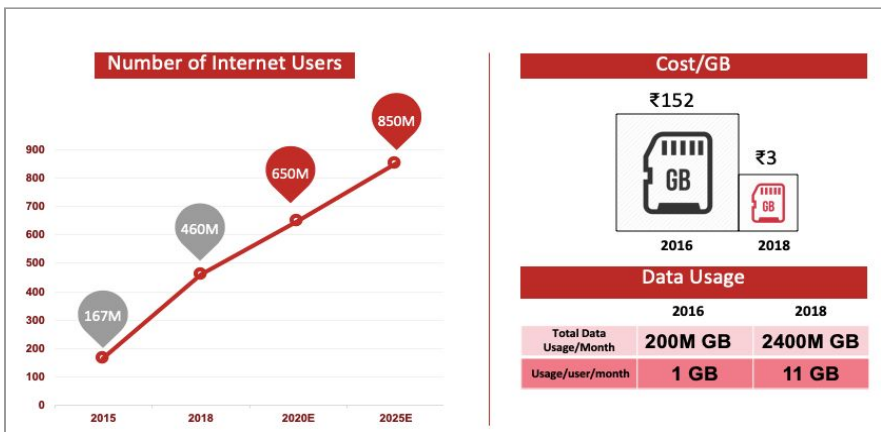
1. Digital revolution led by JIO and India Stack
2. Millennials changing the face of consumption
3. Inflection in consumption expenditure

We believe that just like how economic reforms in 1991 proved pivotal in pushing India's economic growth, the digital initiatives taken in 2016 (JIO, India Stack, demonetization) will prove pivotal in hyper-accelerating India's digital economy over the next decade. If 1991 made India an economic superpower, 2016 will make India a digital superpower.

DIGITAL REVOLUTION

India has witnessed rapid digitalization in the last three years, primarily driven by the significant push from JIO and India Stack. Reliance has invested over \$32B to drive cheaper & high quality data access to the masses in India. JIO was launched in September 2016, before which India had 167M data users. In less than two years, India now has 460M data users (July 2018), of which 96% access data via mobile phone and 49% access data using JIO. More than 80% of data users in India now have access to broadband speed of 512Kbps+.

Chart 7: Change in Data Users, Cost & Usage



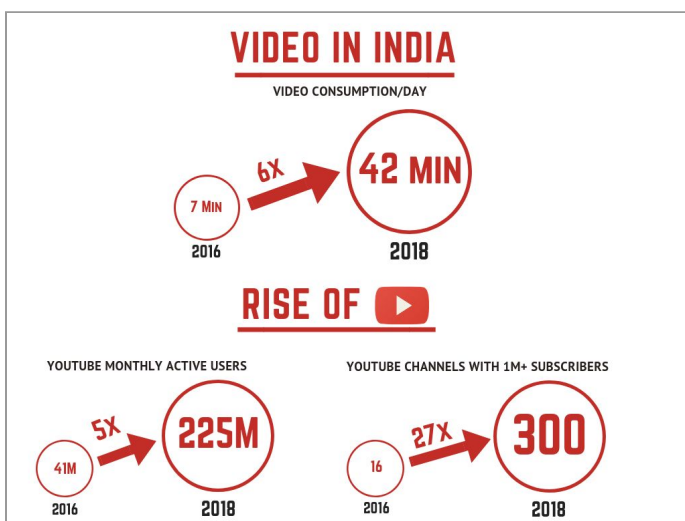
Source: Industry Reports, Kalaari Research

As per industry reports, the number of data users in India is expected to increase to 650M by 2020 and 850M by 2025.

This huge penetration in data has come on the back of significant reduction in data prices, which have come down by almost 98% to 4 cents/GB after the launch of JIO. Consequently, data consumption has seen unprecedented growth in the last two years, with total consumption increasing by 11x to 2,400M GB/Month.

The penetration of high-speed data and reduction in prices have had a profound impact on the type of content being consumed online. There has been an exponential increase in the consumption of video-based content. An average internet user now consumes 52 mins of video per day compared to 7 mins earlier (early 2016). The rise in video consumption has also manifested in the growth of YouTube in India. YouTube MAUs increased to 225M vs. 41M two years ago, and there are now more than 300 YouTube channels with more than 1M subscribers compared to just 16 earlier.

Chart 8: Growth of Video Consumption in India



Source: Industry Reports

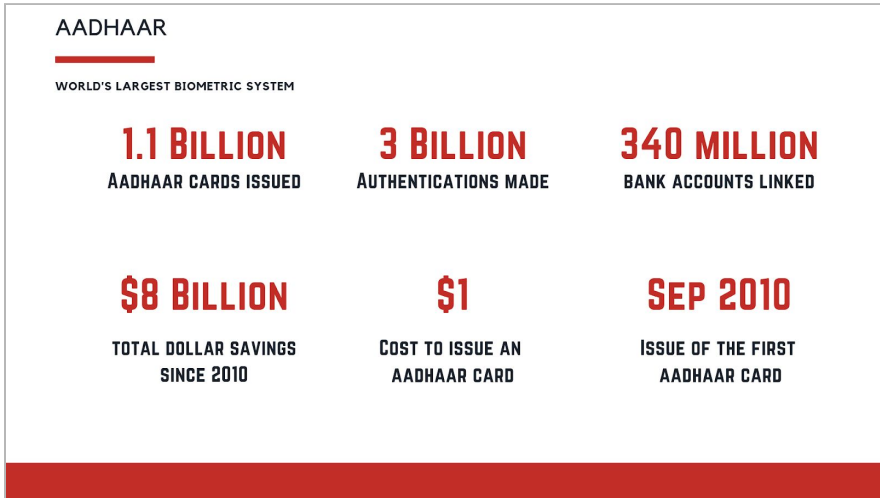
While JIO has driven data access & consumption on the one hand, the Indian government with its Digital India initiative & India stack has driven digital infrastructure & digital footprint on the other.

India Stack refers to the ambitious project of creating a unified software platform to bring India's population into Digital Age. It aims at making Services in India presence-less, paperless, cashless & consensual.

India Stack is being implemented in stages, starting with the introduction of the **Aadhaar** "Universal ID" numbers in 2009. These are linked to biometrics (fingerprints) and as time goes by, authentication by Aadhaar will likely be required for access to increasing number of services and subsidies.

Aadhaar is the largest biometric identity project in the world that has successfully been completed. As of date, 1.1B Aadhaar cards have been issued, 3B Aadhaar authentications have been made, and 340M bank accounts have been linked to Aadhaar.

Chart 9: Key Aadhaar Statistics in India

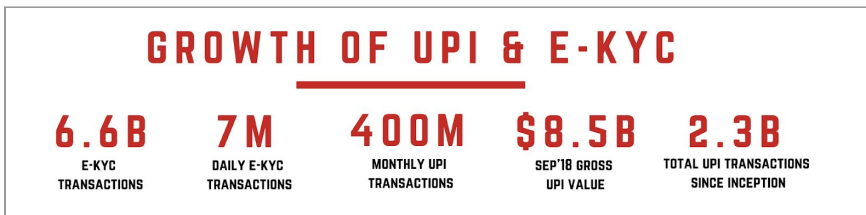


Source: UIDAI, India Stack

The next stages in India Stack were the introduction of **eKYC** (electronic Know Your Customer), which enables paperless and rapid verification of identity, followed by **e-Sign**, whereby users attach a legally valid electronic signature to a document, and **UPI** (Unified Payments Interface) enabling cashless payments, and most recently, **DigitalLocker**, a platform for issuance and verification of documents & certificates.

The eKYC and UPI have picked up well. A total of 6.6B eKYC transactions have already taken place and are currently trending at around 7M transactions per day. In addition, UPI transactions are also seeing significant m-o-m growth, crossing total monthly transactions of 400M by Volume and \$8.5B by value in the month of September 2018.

Chart 10: Growth in UPI and eKYC



Source: NPCI, India Stack

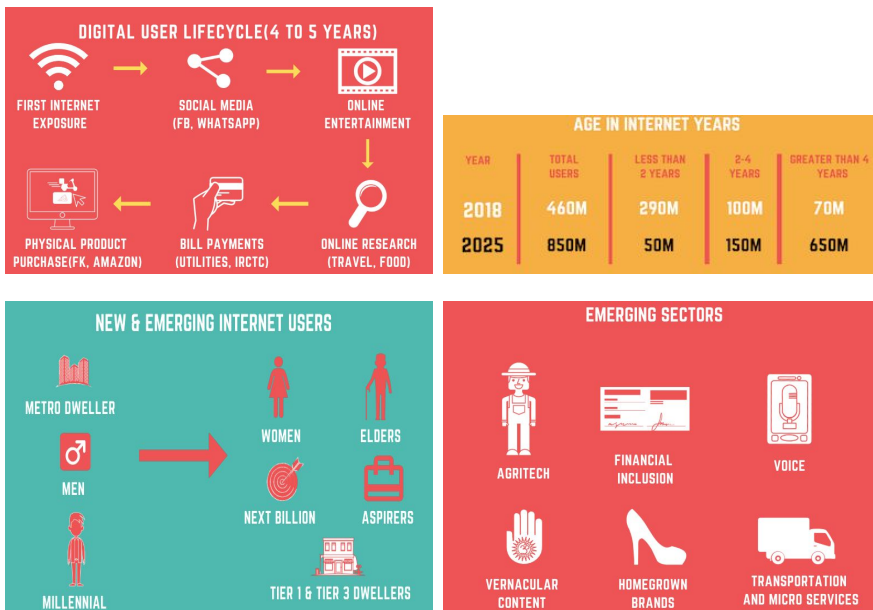
Driven by the push on data access & digital identity, India in the coming seven years (till 2025) will not only witness a significant increase in the base of online users but also see a rapid maturing of their internet age, which in our opinion will be crucial for the monetization of these users.

A typical internet user 'comes of age' in 4-5 years. In these 4-5 years, a typical digital user follows the following consumption trend: Social Media (FB, WhatsApp) --> Online entertainment (News, Videos) --> Online research (shopping, travel, food) --> Bill payment (Utilities, IRCTC) --> Physical product purchase (FK, Amazon, etc).

Currently, there are 460M digital users in India, of which around 70M are older than four years, around 100M are 2-4 years old and around 290M are less than two years old. By 2025, we will have 650M internet users which will be older than four years in terms of their digital age and will become prime online consumers.

This will also drastically change the makeup of online consumers in the next seven years compared to what it was in the last decade. So far, 3 kinds of online consumers have dominated the Indian online market, popularly known as 3Ms. These are Metro dwellers, Males and Millennials. In next seven years, however, as data penetration takes effect, we expect online consumer base to include Women, Elders, Tier 1-3 town dwellers, Aspirers & Next Billion.

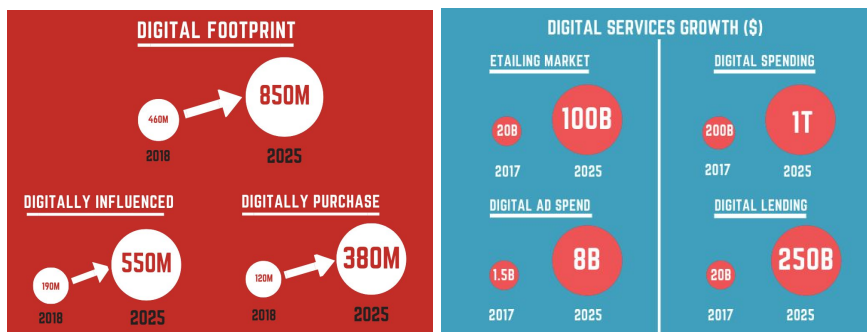
Chart 11: Progression of Digital Users in India



Source: Industry Reports, Kalaari Research

In conclusion, we expect the on-going digital revolution in India to completely change the way people consume various products & services, ushering India into a true digital era of sorts. We expect this to have a profound impact on digital products & services, driving unprecedented growth in online consumption. Consequently, by 2025, we expect E-tail market to increase to \$100B, digital ad spend to grow to \$8B, digital payments to rise to \$1T, and digital lending to increase to \$250B.

Chart 12: Growth in Digital Users & Digital Services



Source: Industry Reports, Kalaari Research

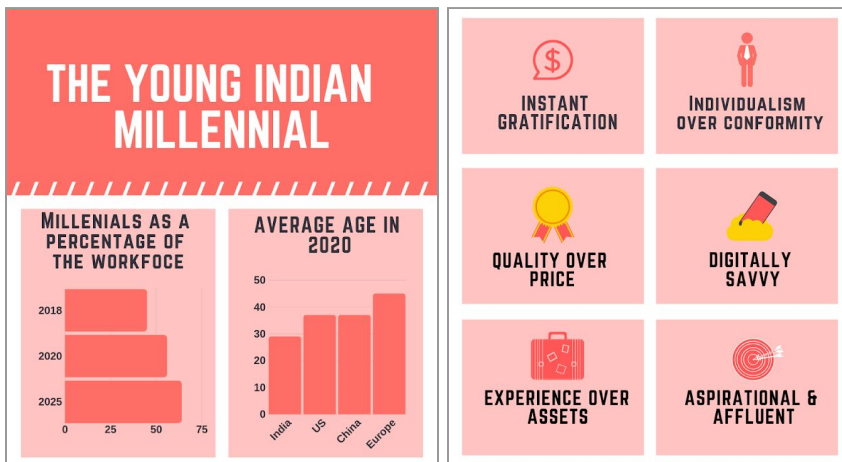
MILLENNIALS CHANGING THE FACE OF CONSUMPTION

India is poised to become the youngest country in the world by 2020 with an average age of 29 years and accounting for around 28% of the global workforce. In comparison, in 2020, China & the US will have an average age of 37 years and Western Europe will have an average age of 45 years. This structural sweet spot will not only drive up productivity & output but also change what & how people consume.

As per Industry reports, India will have 410M millennial consumers (age 22-37) by 2020, contributing more than \$330B to total consumption expenditure. In 2018, millennials comprised 45% of the current workforce. By 2025, they will encompass 64% to the workforce. This will drive an increase in their spending power & will make them prime customers for new age businesses.

This change in the makeup of Indian consumers is likely to give rise to several new consumption themes over the coming years. Millennials typically bring strong brand affinity, seek instant gratification and thrive on change. In addition, they value experiences over assets, individualism over conformity, and quality over low-price. An average millennial is also digitally savvy and spends around 17 hours per week online. The aspirations of millennials, combined with their lifestyle & digital affinity, in our opinion will change consumption trends in favour of several new themes such as the shared economy, rentals, challenger brands, social commerce (alternate retail), subscription models, entertainment, etc.

Chart 13: Attributes of Indian Millennials



Source: Industry Reports, Kalaari Research

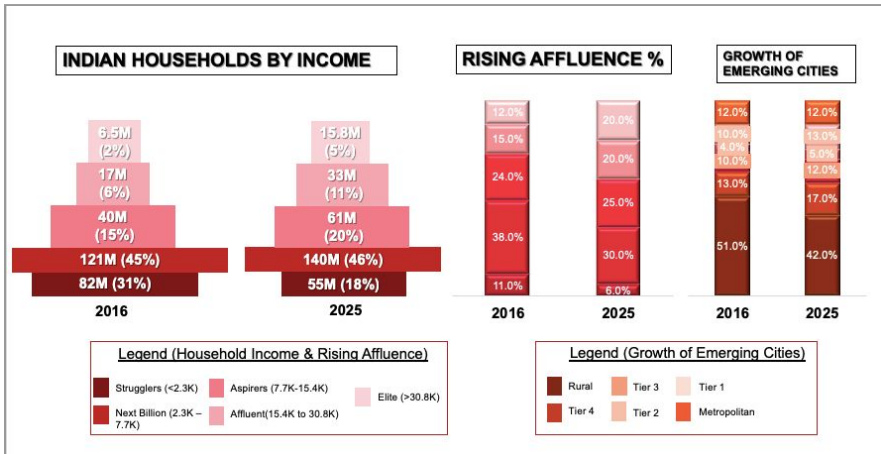
CONSUMPTION EXPENDITURE AT AN INFLECTION

Growth in consumption expenditure is likely to benefit from several structural shifts that India is likely to witness over the next decade.

The first amongst these is the shift in socio-economic classes because of rising affluence & emerging cities. In 2016, there were around 24M households (8% of total households) with an annual income of over \$15K, typically classified as the Affluent & the Elite class. These affluent households contributed around 27% to the overall household consumption expenditure. By 2025, this number is expected to increase significantly. It is estimated that by 2025, we will have 49M affluent (and Elite) households which will contribute around 40% to the overall consumption expenditure in India.

In addition, we had 82M (or 31%) households in 2016 which earned less than \$2.5K annually and struggled to make their ends meet. By 2025, this number is expected to reduce to 55M or 18% of the total households, giving rise to a significant layer of aspirers & the next billions in the middle.

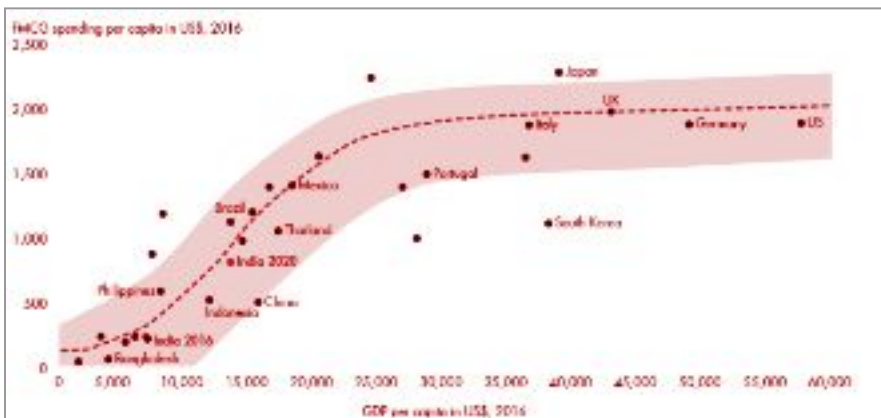
Chart 14: Change in Household Income, Affluence and Emerging Cities



Source: BCG Research

The second big driver for the rise in consumption expenditure is India's upward movement on the S-shaped growth curve in per capita spending. As per empirical evidence, the increase in consumption expenditure for any country follows an S-shaped growth curve, meaning that once per capita GDP (& hence per capita income) crosses a certain threshold, discretionary spending increases disproportionately (as marginal household income flows directly to the bottom line).

Chart 15: S-shaped Growth Curve - FMCG Spending/Capita vs. GDP/Capita (PPP basis)

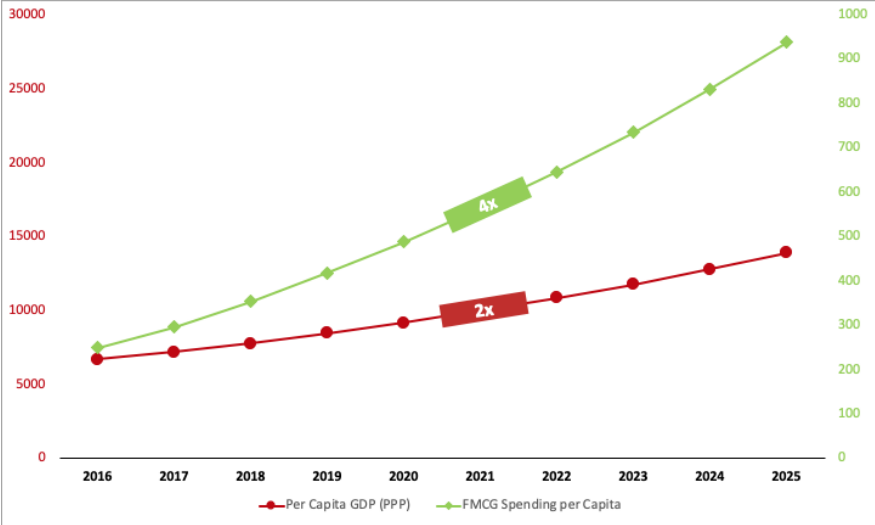


Source: BCG Research

For India, when we compare per capita FMCG spending vs. per capita GDP on PPP basis and evaluate it vs. other countries, we note that India is currently at an inflection point

of the S-shaped consumption curve. In 2016, FMCG spending per capita in India stood at approximately \$250 vs. per capita GDP of \$6700 (PPP basis). By 2025, we expect per capita GDP to increase over 2x, but during the same period, we expect per capita FMCG spending to grow by almost 4x.

Chart 16: 4x growth in FMCG Spending/Capita vs. 2x growth in GDP/Capita (PPP basis)

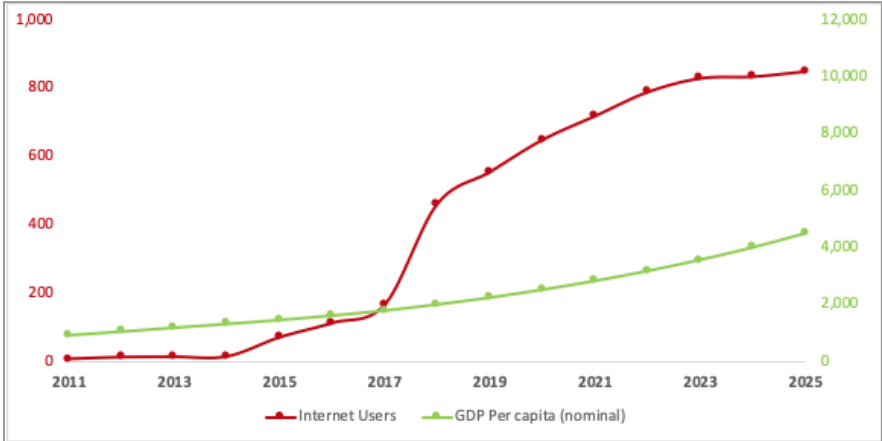


Source: IMF, Kalaari Research

DISTINCT PATH TO DIGITAL SUPERPOWER

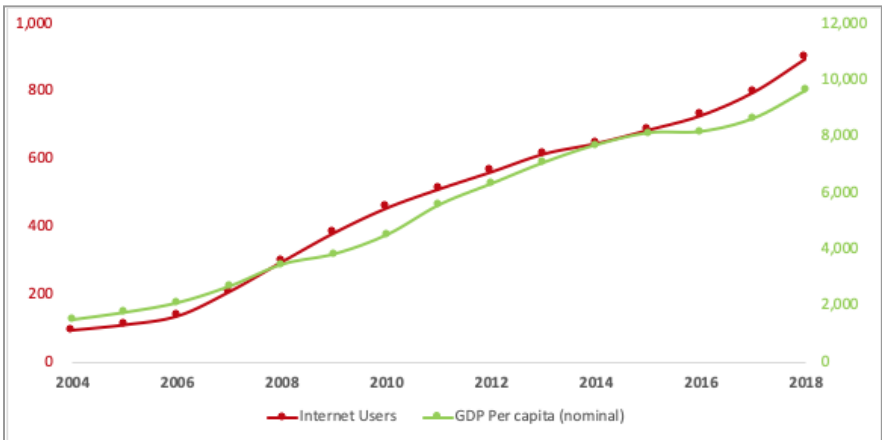
While India will witness a China like digital revolution in the coming decade, it will follow a very different path. What is unique about India is that the impending rise in consumption expenditure is preceded by an unparalleled growth in data penetration.

Chart 17: INDIA - Growth in Internet users vs. per Capita GDP (Nominal)



Source: TRAI, IMF, Kalaari Research

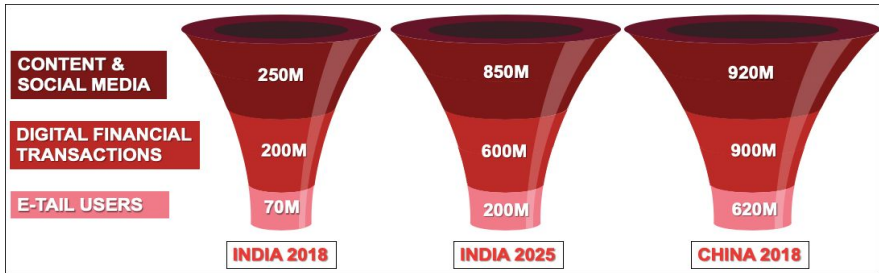
Chart 18: CHINA - Growth in Internet users vs. per Capita GDP (Nominal)



Source: IMF, Industry Reports

In China, where consumption and digital inflection took place almost simultaneously, digital adoption across categories of products and services was broad based. However, India will witness a different path of digital adoption across categories.

Chart 19: Digital User Growth by Key Segments - India vs. China



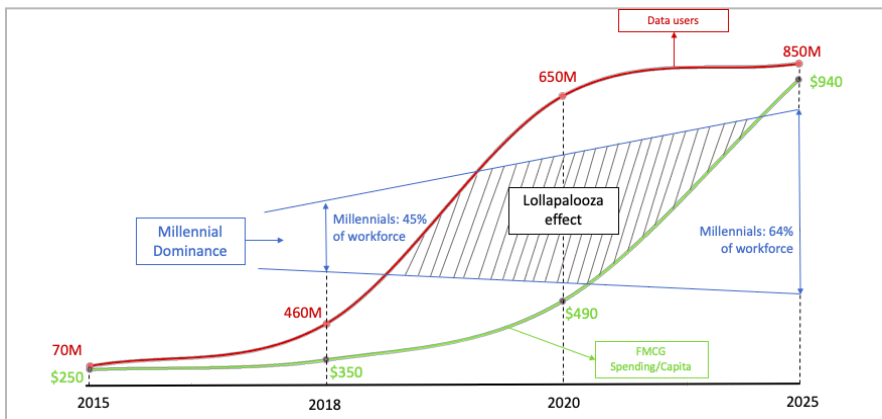
Source: Industry Reports, Kalaari Research

Categories like Content consumption, which are non-purchase in nature, have witnessed the highest growth in user base and will continue on the same path. These categories will monetize through high volume low ARPU business models; large number of users will pay small amounts through micro-payment infrastructure in the form of mobile wallets and UPI.

In addition, financial inclusion categories like micro-credit and digital payment will also witness high adoption as digital will solve the access problem.

India is already at the inflection of consumption S-curve. As consumer spending accelerates in the next decade, a large portion of these consumers will already be online and digital companies will likely capture a significant share of the uptick.

Chart 20: Confluence of Megatrends - The Lollapalooza Effect



Source: Kalaari Research

We believe that India is likely to witness a unique golden era of sorts in the next decade, wherein the confluence of three megatrends - data penetration, millennial dominance & spurt in consumption expenditure - will exponentially drive digital consumption and will benefit companies which are either driving or leveraging digital innovation.

STARTUP ECOSYSTEM POISED FOR SUCCESS

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In our opinion, while last decade laid the foundation of the startup ecosystem, it's the next decade which will actively capitalize on it. With the launch of JIO in September 2016 and the government's push on digital initiatives like India Stack & UPI, both online consumer base & digital infrastructure are maturing rapidly. This is providing a much-needed impetus to the start-up ecosystem, which itself has now evolved to start solving for Indian masses & create a much broader impact.

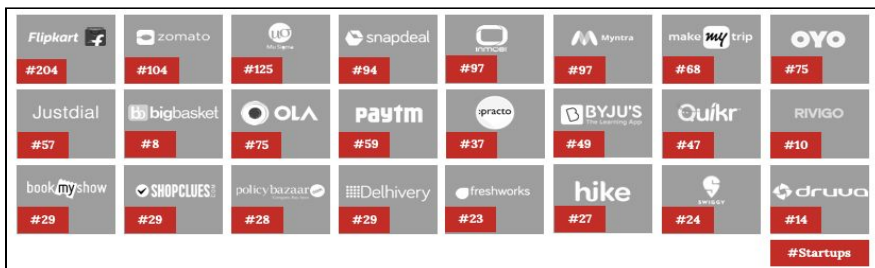
CHANGING FACE OF INDIAN ENTREPRENEURS

Most of the Indian entrepreneurs in last decade were first time entrepreneurs with limited experience and/or exposure to building fast-paced large-scale companies. In addition, they grappled with several teething issues typical of any emerging sector, such as lack of talent, infrastructure & execution.

The situation is significantly different today. In the last ten years, startups created more than 90k jobs. They spent significant capital in training talent across several core functions such as Tech, Product Management, Operations & Marketing. In addition, these startups created several thousand leaders who now have first-hand experience of building for scale & solving for speed.

A lot of these leaders are now turning into entrepreneurs. A quick research done by Kalaari showed that the employees coming out of the top 25 startups in India have launched more than 1,350 startups in the last two years.

Chart 21: #Startups Created by Employees of Large Tech Companies



Source: Kalaari Research

These (seasoned) entrepreneurs, in our opinion, bring strong industry insights to the table, have an innate understanding of the problem they are trying to solve, and carry significant execution experience. All of this, in our opinion, significantly increases the

chances of success for this next generation of startups. What this also does is provide the right kind of foundation to this new generation of entrepreneurs to start solving for 'Indian masses' rather than plainly copy global trends. This further adds to the success factor of the startups.

BUILDING FOR MASSES

With a significant increase in digital footprint led by JIO and an increasing number of experienced entrepreneurs, we believe that India will see the emergence of several innovative themes, creating products & services for the masses (the next 400M). These startups will benefit from cheaper data, stronger micro-payment infrastructure, and significant social media penetration.

Some of the themes that we expect to become large include:

1. **UGC Platforms** for regional user content are likely to grow significantly. As per industry report, 9/10 new online users are likely to use the internet in their regional language. Hence, vernacular remains a key theme. We also expect sector-specific content startups to emerge
2. **Hyperlocal Regional News** is likely to emerge as a strong play to make news cheaper, better & faster using smartphones as a channel for both sourcing & distribution
3. **Sachetization** of products (low ARPU, high volume) on the back of growth in data & smartphone is likely to see significant innovation, particularly in segments related to financial inclusion
4. **Online Bike Sharing** is likely to emerge as a strong solution to solve for last-mile connectivity & commute in large cities
5. **Social Commerce** is likely to create a parallel retail distribution network & create millions of micro-entrepreneurs in India

MIDDLE MILE FUNDING GAP IMPROVING

While early-stage capital was broadly available in last ten years, there was a clear gap in mid-stage funding (Series B/C) & a clear concentration in late stage (Series D+) funding. During 2006-14, VCs invested \$1.5B in early-stage startups; however, the mid-stage & late-stage funding was only \$3.5B and \$4.4B, respectively. In addition, the late stage funding was largely concentrated to a couple of large funds, creating a skewed market, and amplifying the winner-takes-all phenomenon.

However, things have started to change. We are seeing not only several new mid-stage & late-stage investors entering India but also several early-stage investors writing mid-stage cheques. In the last three years (2015-2018), \$7B has gone into mid-stage funding and \$15B have gone into late-stage funding. The concentration of funds have also reduced creating equal opportunities for startups. This, in our opinion, is likely to have a 2-fold effect on the success of startups in India: a) the mortality rate of startups at every stage is expected to reduce, thereby increasing the net success rate of the funnel; and b) most segments are likely to see emergence of 2-3 large players rather than 1 dominant player.

Chart 22: Funding Across Stages in Last 12 Years

FUNDING ACROSS STAGES			
YEAR	SERIES A	SERIES B & C	SERIES D
2006-2014	\$1.5B	\$3.5B	\$4.4B
2014-2018	\$2.7B	\$7.0B	\$14.4B

Source: Kalaari Research

PROFITABLE SCALE

India is only a decade old digital economy, and first generation of tech start-ups carried the burden of educating the market and forming users habits through incentivization. Hence many of those companies could not chart out a clear path to profitability despite being in existence for a long time and having invested huge sums of capital.

But many of the following generation start-ups are bearing the fruits of these efforts. Today India is seeing examples of many VC funded start-ups that are profitable or have a clear sight to profitability at scale. To name a few examples, companies like Lenskart, Policybazaar, Firstcry, Delhivery and Nazara are already profitable and valued at \$500M-\$1B.

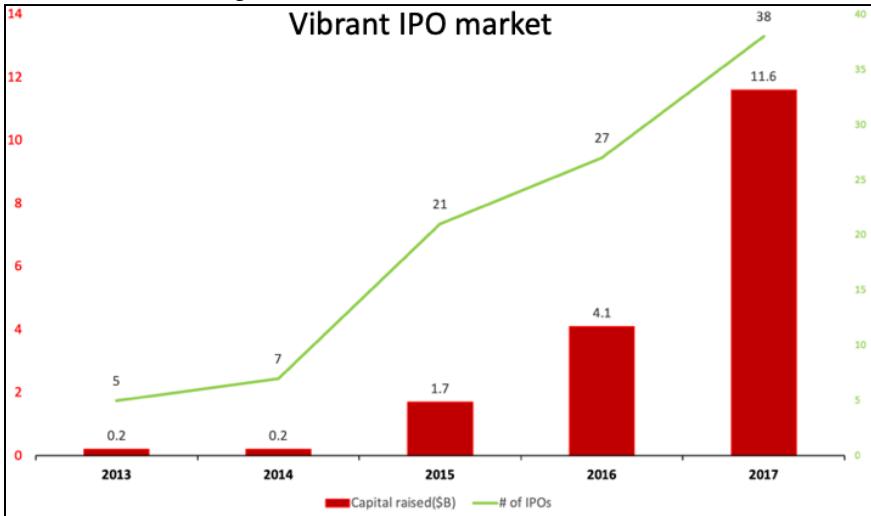
Even within Kalarari's own portfolio (Dream11, Curefit, Elasticrun), many break-out companies are operating at strong positive unit economics and most of the capital is being invested towards future growth. This fundamental shift is going to prove pivotal in creating long term value creation for the ecosystem.

GOVERNMENT IMPETUS TO IMPROVE EXIT ENVIRONMENT

IPOs contribute to significant share of exits in mature startup ecosystems like China and US. In India VC backed IPOs are very few and far in between. IPO has to emerge as a strong viable exit option for VC backed companies for the ecosystem.

India's IPO market in general been more vibrant than ever before, and depth of the market is improving significantly.

Chart 23: India IPO funding



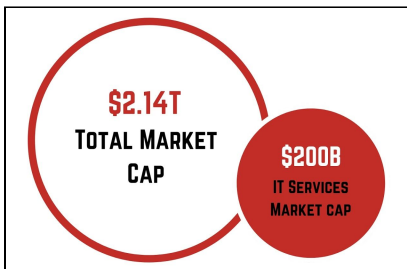
Source: chittorgarh.com

But India's public market investors are used to investing into profitable companies, and steady cash flow is valued more than rapid growth. In fact, one of the stated regulatory requirement for a company to go IPO in India is that company has to be profitable at least for 3 years before company goes IPO.

But there has been significant efforts by regulatory bodies and stock exchanges to make IPO a viable option for start-ups. Formation of a separate exchange with relaxed norm was one such step in the right direction, but it did not succeed due to lack of liquidity. But these bodies are putting lot of efforts in educating the investors and making the regulations more conducive for technology startups.

India's public market investors in the past have benefited immensely by investing in IT services sector. IT services sector alone today contributes to ~10% of market cap today.

Chart 24: India public market cap vs IT services market cap



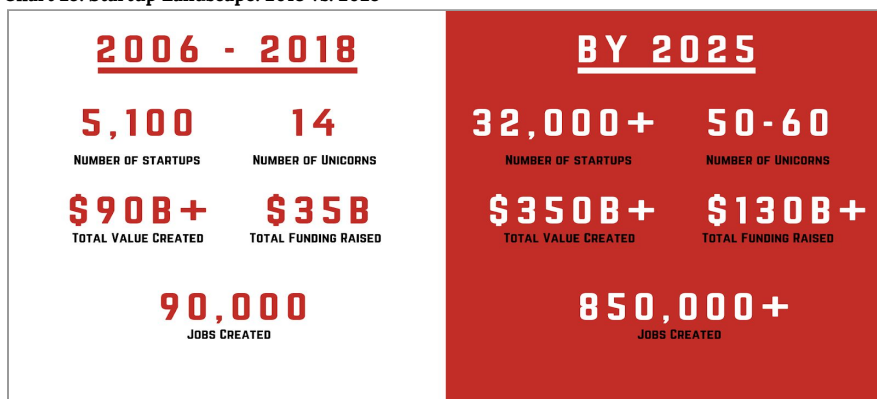
Source: chittorgarh.com

And we believe, next decade will be the turn of technology start-ups. Many VC backed start-ups (including few Kalaari companies) are gunning for an IPO over next 2-3 years, and we believe that will set the stage for IPO exits to become huge value creator.

GROWTH IN STARTUPS TO ACCELERATE

As per the latest NASSCOM report, there are around 5,100 startups in India as of today; however almost 40% of these startups are consumer internet startups. These startups have raised over \$35B in funding so far and have created over \$90B in value. There are around 14 unicorns in India currently and around 65+ startups which are valued between \$100m - \$1B. However, as we mentioned earlier, the journey of the Indian startup ecosystem has only just begun.

Chart 25: Startup Landscape: 2018 vs. 2025



Source: Kalaari Research

Driven by all the megatrends we discussed in this report & the evolution of Indian entrepreneurs, we expect the growth in startups to accelerate further during the next decade. By 2025, we expect the number of startups to cross 32,000, creating more than 850,000 jobs in the process. We expect total funding to increase to \$130B+ and total value creation to exceed \$350B. We expect innovation to be more broad-based during the next decade and several new sectors to emerge. The early signs are already in place. Today, we have more than 650 startups in Fintech, 500 startups in content, 350 startups in Healthtech, 250 startups in Gaming, 200 startups in Agritech, 180 startups in Blockchain and 80 startups in IoT.

Overall, we expect to have 50-60 unicorns in India by 2025 compared to around 160 unicorns in China today. In conclusion, we believe that we are still at the dawn of digital innovation in India. The day has only begun!