

## Venture Capital firms invest \$475-M in India during 2009

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Chennai, Tamil Nadu, February 24, 2010 /[India PRwire](#)/ -- Venture Capital firms invested \$475 million over 92 deals in India during the twelve months ending December 2009, according to a study by Venture Intelligence (<http://www.ventureintelligence.in>) in partnership with the Global-India Venture Capital Association (<http://www.givca.org>). The amount invested during 2009 was lower compared to 2008 which had witnessed \$836 million being invested across 153 deals. VC firms however begun to increase their pace of investments in Q4'09, making 42 investments worth \$265 million - significantly higher than that during the same period in 2008 (23 investments worth \$102 million) as well as Q3'09 (19 deals worth \$74 million).

"The strong recovery in investment activity in the last quarter of 2009 as well the rising interest among global investors towards emerging markets like India is quite encouraging for the growth of the sector," remarked Sudhir Sethi, Director of GIVCA and Founder, Chairman & Managing Director of IDG Ventures India. "During 2010, we expect significant follow-on investments into companies that raised Series A rounds in the past 2-3 years as well as a rise in exit activity as the global economic recovery gathers pace," he added.

While Information Technology and IT-Enabled Services (IT & ITES) industry retained its status as the favourite among VC investors during 2009, the industry's share has declined to about 43% (from about 55% during 2008). Other industries that attracted significant investor attention during the period included Financial Services (led by Microfinance deals), Healthcare & Life Sciences, and Alternative Energy. Within IT & ITES, Online Services companies retained their status as the favourite sector accounting for about 39% of the investments during 2009.

Companies based in South India accounted for 50% of all VC investments (47% by value) during 2009. Their peers in Western India accounted for 25% of the pie in 2009 (29% by value). Companies based in North India accounted for 15% of the investments in 2009 (12% by value). Among cities, companies headquartered in Bangalore and Mumbai were the favorite among VC investors during 2009 with the former attracting 29 investments and the latter 15. The Delhi National Capital Region (including New Delhi, Gurgaon and Noida) accounted for 11 investments followed by Hyderabad with 9.

### Notes to Editor

#### About GIVCA

The Global India Venture Capital Association (formerly, US-IVCA) is a non-profit organization established in California in June 2002. It is an association of US-based venture capitalists interested in US-India cross-border investments. Its membership consists of venture capital firms, service providers, corporate investors and business professionals. For more information, please visit <http://www.givca.org>

#### About Venture Intelligence

Venture Intelligence, a division of Chennai, India-based TSJ Media Pvt. Ltd., is the leading provider of data and analysis on Private Equity/Venture Capital and M&A deals in India. For more information, please visit <http://www.ventureintelligence.in>

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