

Business Context:

Gathering knowledge about the type of startups that were funded in the last few years and to analyze the investors and their investment pattern in addition to determining the hottest fields that received the most amount of funding.

Description:

2015 saw the launch of three to four startups a day, which helped India secure the third position in the world in terms of number of startups – 4,200 and counting. In 2016-17, a huge amount of money was poured into the startups—on very high valuations—with ideas that were building just the “me too businesses”. With no defensibility, weak business metrics, and entrepreneurs, who were largely opportunistic, a lot of startups entered the ecosystem and even got considerable attention from investors.

The project aims on capitalizing the data collected during this period and makes a deep dive into the data and derives insights into the future.

Possible Questions that could be answered are:

- A. How does the funding ecosystem change with time?
- B. Do cities play a major role in funding?
- C. Which industries are favored by investors for funding?
- D. Who are the important investors in the Indian Ecosystem?
- E. How much funds do startups generally get in India?

Data:

The dataset collected has funding information of the Indian startups from January 2015 to August 2017. It includes columns with the date funded, the city the startup is based out of, the names of the investors, and the amount invested (in USD).

Pre-Processing/EDA/Model Building/Validation:

Refer to top-funded-startups-in-India.ipynb

Conclusion

The year 2015 seems to be a boom period for startup investments but this has seen a downward trend during the entire 2016. Lot of factors can be attributed to this.

One event which shook up the Indian Ecosystem is the Demonetisation move by the government in Nov 2016.

This project has focused to analyse the dataset from different angles and has partly tried to find out the top players in the startup space as far as the investments are concerned

Investor funding took an increase with more than 400+ unique investors entering into the startup ecosystem in Q1 of 2016 which has shown a declining trend since then.

We select the top 5 investors to know in which startups they have pumped their investments.

Detailed Pointers:

1. Funding of startups is highly dispersed as investors are overtly specific in their choice.
2. There were more than 2000 new startups funded in the year between 2015-2017.
3. Paytm and flipkart were the ones with the highest amount of funding
4. Top 10 investments were all made through private equity.
5. Paytm was mostly funded on different days by a single investor.
6. Swiggy was invested in by the most number of investors.
7. There were no plausible relations as such between the funded amount and number of investors per startup.
8. There were more than 2000 unique investors.
9. Sequoia capital invested in most number of startups.
10. Soft bank group invested the maximum amount of money.
11. Most of the funding came through private equity.
12. Crowd funding and debt funding were less preferred by the investors.
13. Seed funding was less dispersed and private equity was chosen to make large investments per startup.
14. Consumer internet sector got the most amount of funding and attracted a huge crowd of investors.
15. Unsurprisingly, location wise Bangalore had the most average funding per startup.
16. Ahmedabad seemed to be an anomaly as it only witnessed debt funding for all the startups there.
17. Maximum total funding was generated in the year 2015 and then it slowly decreased with gradually year by year.
18. Average funding was highest in 2017.
19. In 2015 the period of June-Oct (Q3) was funded most of all other quarters over the period of three years.
20. In 2016 the Jun-Sep(Q3) was the most funded and quarterly funding decreased with increase in time.
21. In 2017 the period between Mar-May(Q2) received the most fundings.
22. Q3-2015 saw most number of investments and funding amount was normally distributed.
23. Starting months of 2015, mid of 2016 and 3rd Quarter of 2017 were funded the most as per individual investment.
24. 2016 had the highest amount of investments.
25. In 2015 there was a low amount fund generated through crowd funding
26. In 2016 there was slight variation in seed funding by amount.
27. In 2017 dept funding was witnessed for the first time but in meager amounts.

