



# STATE OF WOMEN IN TECH ENTREPRENEURSHIP IN INDIA

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A report by MAKERS India and  
Yourstory Media (JAN 2018 - JUNE 2020)

# STATE OF WOMEN IN TECH ENTREPRENEURSHIP IN INDIA

*MAKERS India presents a detailed overview of the state of women in tech entrepreneurship in India by answering seven key questions, after analysing data for the period of January 2018 to June 2020.*

## OBJECTIVES

1. Number of women tech entrepreneurs in India
2. Amount of capital infused into startups founded and co-founded by women tech entrepreneurs
3. Sectors women tech entrepreneurs venture in most
4. Key challenges faced by women tech entrepreneurs in India
5. Steps taken so far by the startup ecosystem to enable women tech entrepreneurs in India
6. Looking ahead: Steps the **Indian startup ecosystem** can take to boost state of women in tech entrepreneurship in India
7. Looking ahead: Steps the **Indian government** can take to boost the state of women in tech entrepreneurship in India

# REVIEWING THE INVESTMENT DIVERSITY GAP IN THE INDIAN STARTUP ECOSYSTEM & COVID-19 IMPACT

*MAKERS India report on the State of Women in Tech Entrepreneurship in India shows more needs to be done in terms of investing in women tech entrepreneurs, based on data for 30 month period from January 2018 to June 2020.*

## **Pressing need to tackle the investment diversity gap in the Indian startup ecosystem:**

Women founded and co-founded startups account for less than 6 percent of total investments infused into the Indian startup ecosystem.

- The funding raised by Indian startups with at least one woman founder accounted for just 5.77 percent or \$1.69 billion (across 378 deals) of the total startup investments in India for January 2018 to June 2020.
- Startups with only female founder(s) accounted for around 1.43% or \$480 million (across 80 deals) of the total startup investments in Indian between January 2018 and June 2020.

## **COVID-19 impact on startups founded/co-founded by women tech entrepreneurs:**

The coronavirus pandemic, the subsequent lockdown, and severe restrictions on business have hit women entrepreneurs hard. Even with reports of renewed focus on empowering women entrepreneurship for women, funding for women-founded and co-founded startups fell almost 24 percent to \$280 million in the first six months of 2020 compared to \$369 million in the first half of 2019.

## **KEY TAKEAWAYS**

## OTHER KEY NUMBERS AT A GLANCE

**285**

Total number of startups funded with at least one woman founder

**2016**

Year when most number of startups led by at least one women founder were launched

**378**

Total number of funding deals disclosed by startups with at least one woman founder in tech *(Jan-18 - Jun'20)*

**1.43%**

Percentage of total funding in startups led by female-only founders *(Jan'18 - Jun'20)*

**5.77%**

Percentage of total funding in startups led by at least one female founder *(Jan'18 - Jun'20)*

**\$1.69 Bn**

Total funding in startups with at least one female founder *(Jan '18 – Jun' 20)*

# REVIEW OF FUNDING IN FEMALE TECH FOUNDERS

*(JANUARY 2018 TO JUNE 2020)*

*MAKERS India report on the State of Women in Tech Entrepreneurship in India analyses data for the 30-month-period from January 2018 to June 2020 for startups with the following criteria:*

- At least one woman founder
- Publicly disclosed funding deals
- Founders based in India
- Use of technology to power business
- Funding data for period from January 2018 to June 2020
- Further data based on YourStory Research survey of 100+ women entrepreneurs

**RESEARCH  
METHODOLOGY**

## OTHER KEY TRENDS



### **SCEPTICISM ABOUT WOMEN ENTREPRENEURS IN TECH**

Ecosystem stakeholders are still sceptical about women tech entrepreneurs. Of the 2,460 investors who participated in startup funding during the Jan 2018-June 2020 period, only 22% (540) invested in startups led by at least one woman founder.



### **LESSER GROWTH STAGE DEALS**

Women entrepreneurs in tech receive attention at an early stage. However, support for growth and scaling is decided by market sentiment and volatility. In H1 2020, the early-stage funding deals for startups led by at least one woman founder increased by 8.16%, while growth-stage deals reduced by 54%.



### **COVID-19**

Many women-led startups scaled down their operations, and even pivoted the business model to stay afloat. Notably, women became chefpreneurs from their homes, selling safe and tasty home-cooked food during the pandemic, while women behind apparel startups branched out to manufacturing protective face masks and PPE kits.

## OTHER KEY TRENDS



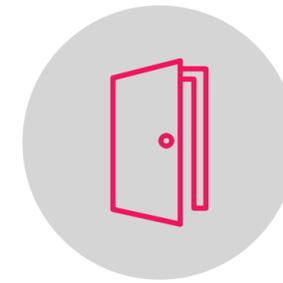
### INTEREST IN OFFBEAT SECTORS

Women entrepreneurs in tech are exploring offbeat and many other sectors hitherto dominated by male founders such as Automotive, CleanTech, Hyperlocal, SaaS, PaaS, Spacetech, Sports, Online Gaming, and others. Investors also seem to be testing the waters with byte-sized investments in these startups.



### TIER-II CITIES ON THE RADAR

Women entrepreneurs in tech from around 10 Tier-II cities were noticed by the investor ecosystem between Jan'18 - Jun'20. Case in point, the entry of cities like Indore, Jaipur, Mohali, Bhubaneswar, and Pondicherry, on the investor radar for female tech entrepreneurs.



### EXIT PERCENTAGE IS HIGHER

The exit percentage for startups led by at least one women founder (3.5%) is slightly higher than startups led by only male founders (2.01%) in tech. On a positive note, this is an indicator of high exit opportunities for women entrepreneurs. However, on the flip side, this also indicates that not enough scaling opportunities are available, which force them to exit early.

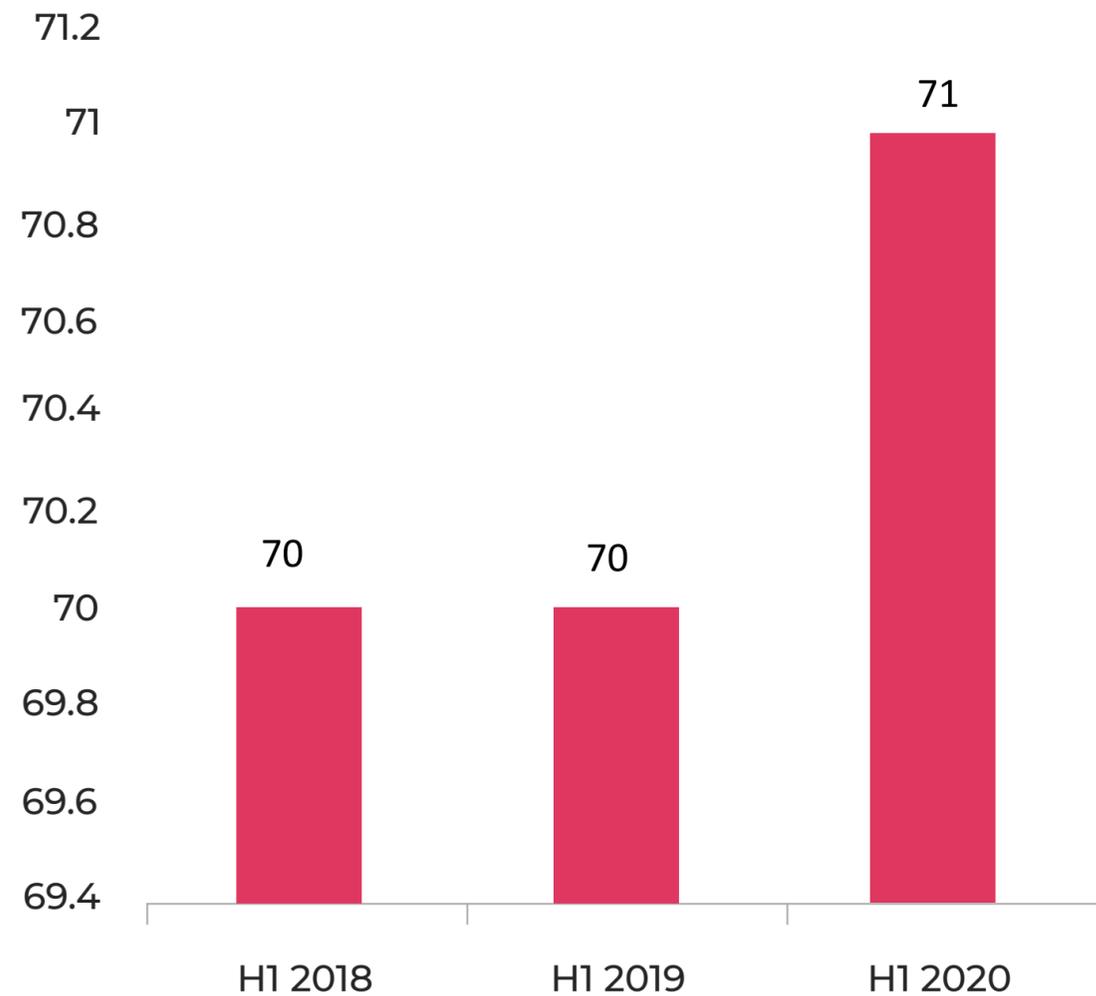
# COVID-19 IMPACT

## WOMEN TECH ENTREPRENEURS FELT THE IMPACT OF COVID-19 PANDEMIC WITH A 24% DECLINE IN FUNDING AMOUNT IN H1 2020 VS H1 2019

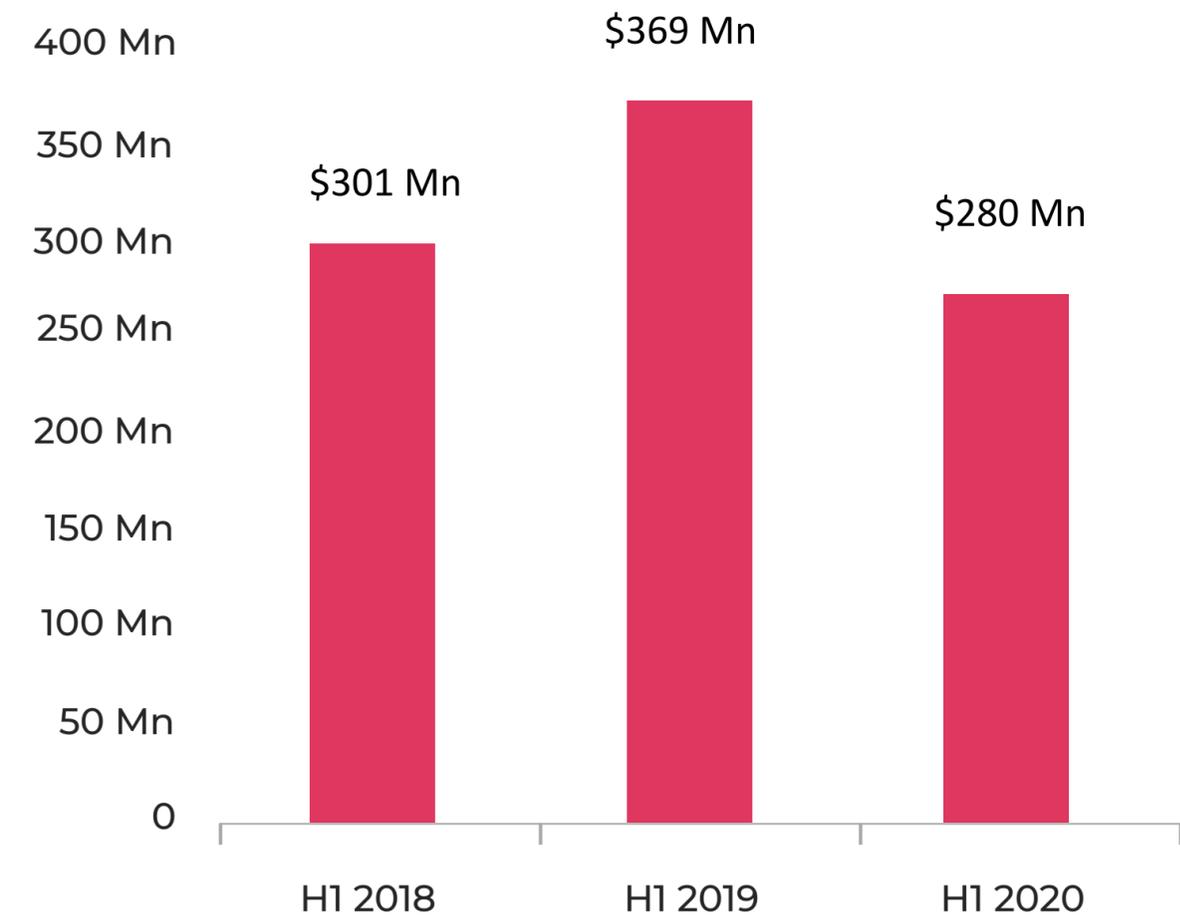
- **H1 2020 funding in women-founded startups declines 24%:** In the first half of 2020, funding for women-founded and co-founded startups fell 24% to \$280 million, compared to \$369 million in the first half of 2019.
- **Stage-wise impact in funding volumes:** Funding declined across all three stages – early, growth, and late — in H1 2020, compared to H1 2019.
- **Investment disparity in Indian startup ecosystem:** Startups founded and co-founded by women entrepreneurs contributed only 5.78%, whereas those led only by women founders contributed mere 2.64% to the total funding raised in the Indian startup ecosystem in H1 2020.
- **Sector-wise funding activity:** The edtech segment received the highest quantum of funding at \$94.3 million over eight deals, followed by fintech at \$42.9 million in eight deals.
- **Top women-founded startup funding deals:** Women-led edtech startups like BYJU'S and Embibe raised funding, while Harappa Education and Multibhashi expanding its offerings.

- Despite COVID-19, startups with at least one woman founder have been able to secure 71 funding deals in H1 2020.
- However, in terms of the funding amount, H1 2020 saw a fall of approximately 24%, unlike H1 2019, where there was a 22.57% increase from H1 2018.

**TOTAL NUMBER OF FUNDING DEALS IN WOMEN  
FOUNDED OR CO-FOUNDED STARTUPS**



**TOTAL AMOUNT INVESTED IN WOMEN FOUNDED  
OR CO-FOUNDED STARTUPS**



**1. Number of women tech  
entrepreneurs in India:  
297 female founders  
running 285 tech startups**

# THE NUMBER OF WOMEN-LED STARTUPS IS GRADUALLY RISING IN THE INDIAN STARTUP ECOSYSTEM

- *There are approximately 297 women tech entrepreneurs running 285 tech startups in India*
- *Number of women-founded and co-founded startups have risen to 285 in 2020 from just 26 by 2010*

## 1990 - 2010: 26 STARTUPS

In the 20-year period between 1990 and 2010, only 26 startups had at least one woman founder.



## 2014: 75 STARTUPS

By 2014, 75 startups added at least one woman founder, and by 2019, there were 184 more.



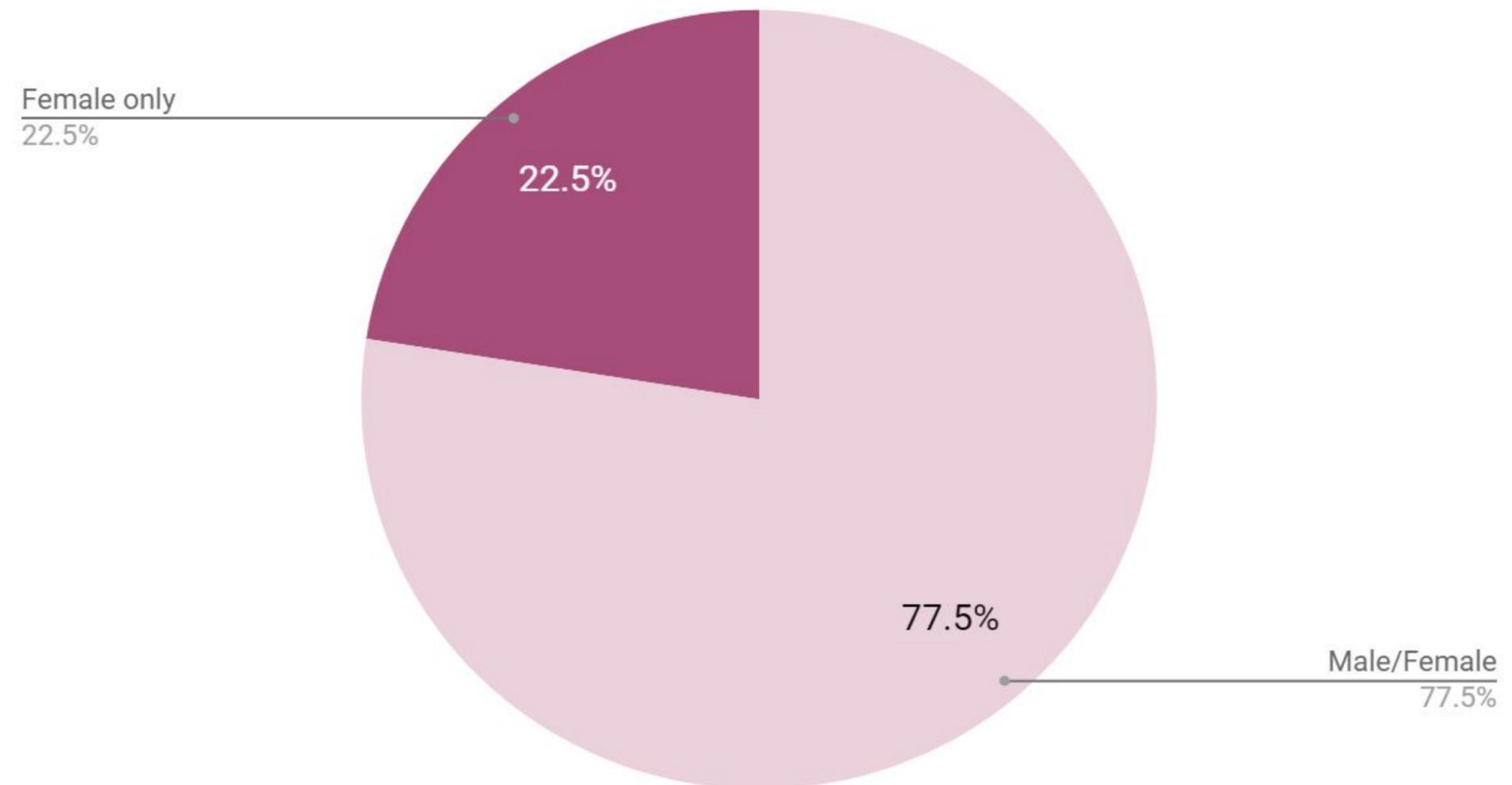
## 2020: 285 STARTUPS

Today, there are around 285 women-entrepreneurs-led tech startups.

# WOMEN-ONLY FOUNDERS ACCOUNT FOR JUST ~23% OF 285 WOMEN FOUNDED OR CO-FOUNDED STARTUPS IN INDIA

GENERAL BREAKUP OF TOTAL WOMEN FOUNDED/CO-FOUNDED STARTUPS

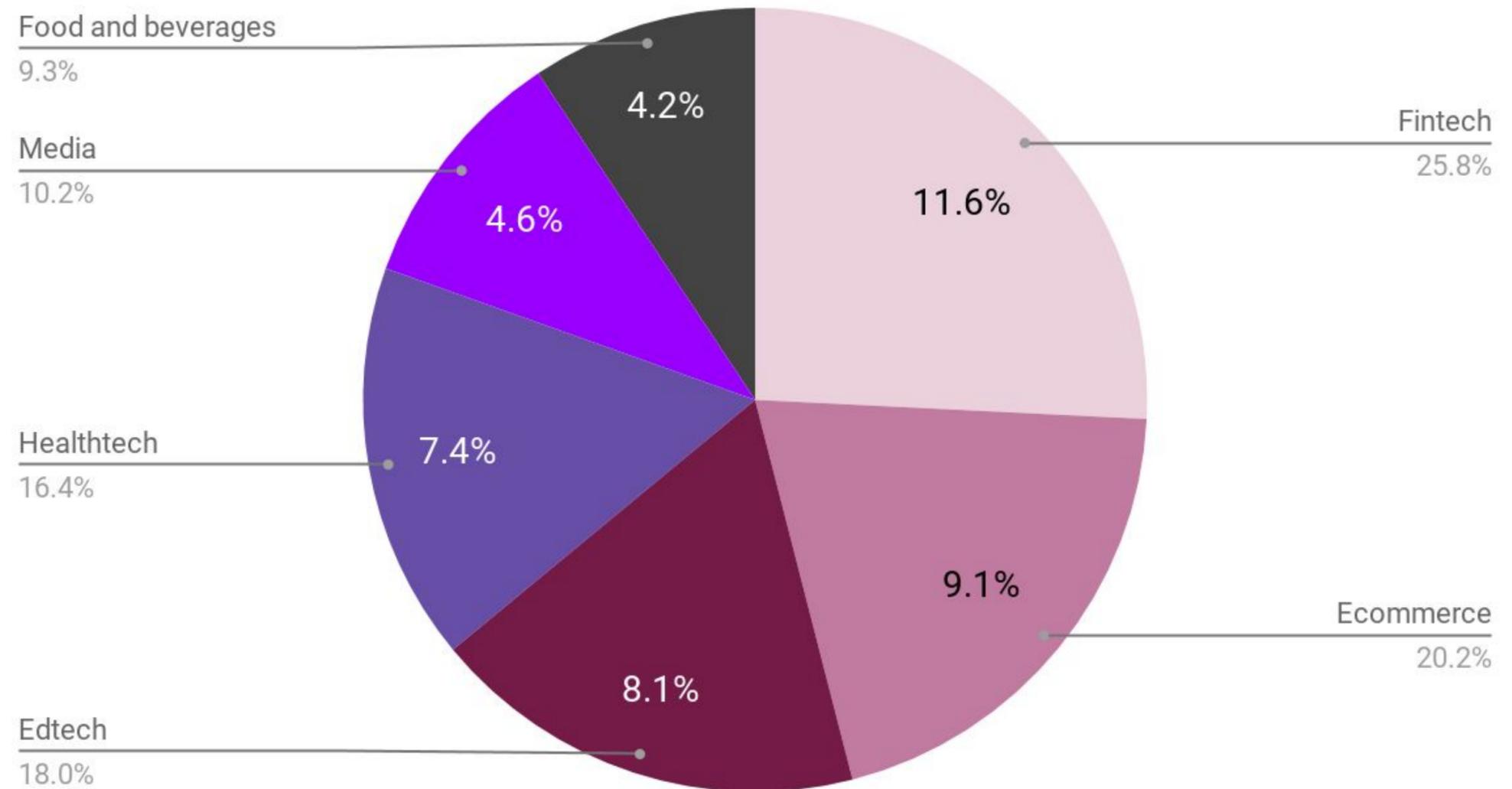
- Women-only-founded startups account for just **22.5% of the total 285 startups** that have at least one woman founder
- A majority **77.5% of startups are co-founded** by at least one **woman founder**



# SECTOR-WISE FOCUS OF WOMEN TECH ENTREPRENEURS

- Women tech entrepreneurs have the highest presence in **fintech and financial services sector, with at least 26% of startups in this space**
- **Ecommerce** is second most popular sector among women tech founders with **20%**, followed by **edtech at 18%** and **healthtech at 16%**

SECTOR-WISE BREAKUP OF WOMEN FOUNDED/CO-FOUNDED STARTUPS



# THE WOMEN-FOUNDED STARTUP BRANDSCAPE IN INDIA

UNICORNS:



SOONICORNS:



ACQUIRED:



SHUT DOWN:



LISTED:



EMERGING  
EARLY STAGE  
STARTUPS:



*(Series A startups funded in H1 2020 or company founding year 2019 with above seed stage funding)*



# FACTORS INFLUENCING GROWTH

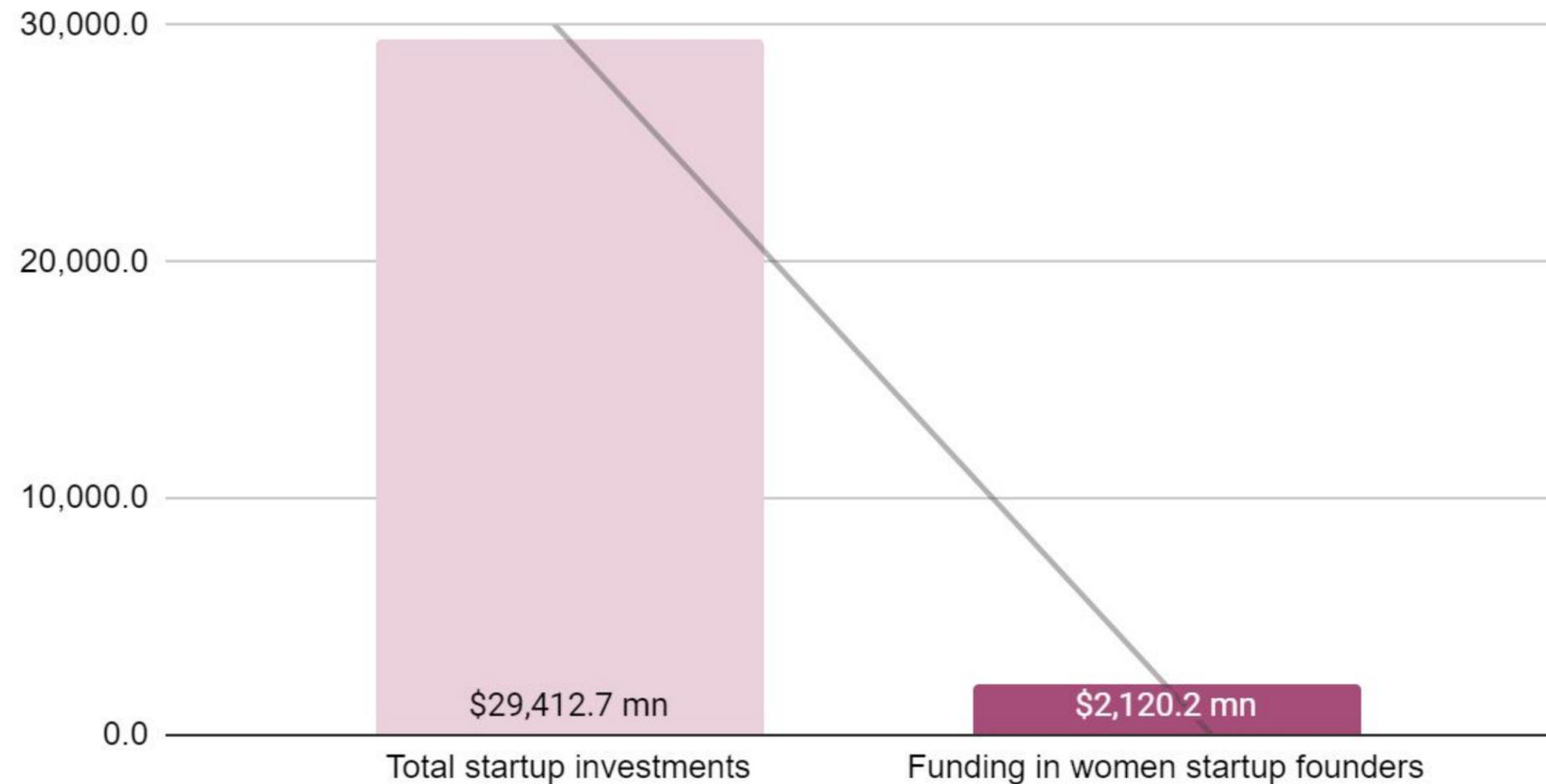
- Technology enabling innovation and customer access
- Social media forums for skills and marketing
- Generational shift in attitude
- Greater acceptance of entrepreneurship as a viable career alternative
- Access to technical knowledge and digital skilling
- Increase in support forums related to gender bias, sexism, mental health
- Support from ecosystem enablers in starting up the venture
- Better access to mentors

**2. Funding into startups  
founded by women tech  
entrepreneurs: 5.8% of  
total startup  
investments in India**

Between January 2018 to June 2020, Indian startups raised total funding of \$29.41 billion across 2,170 deals, of which startups founded or co-founded by women accounted for only a fraction of total investments:

- The funding raised by startups with at least one woman founder was 5.77% (or \$1.69 billion) across 378 deals
- Startups with only woman founder(s) accounted for 1.43% or \$480 million across 80 deals of the total funding

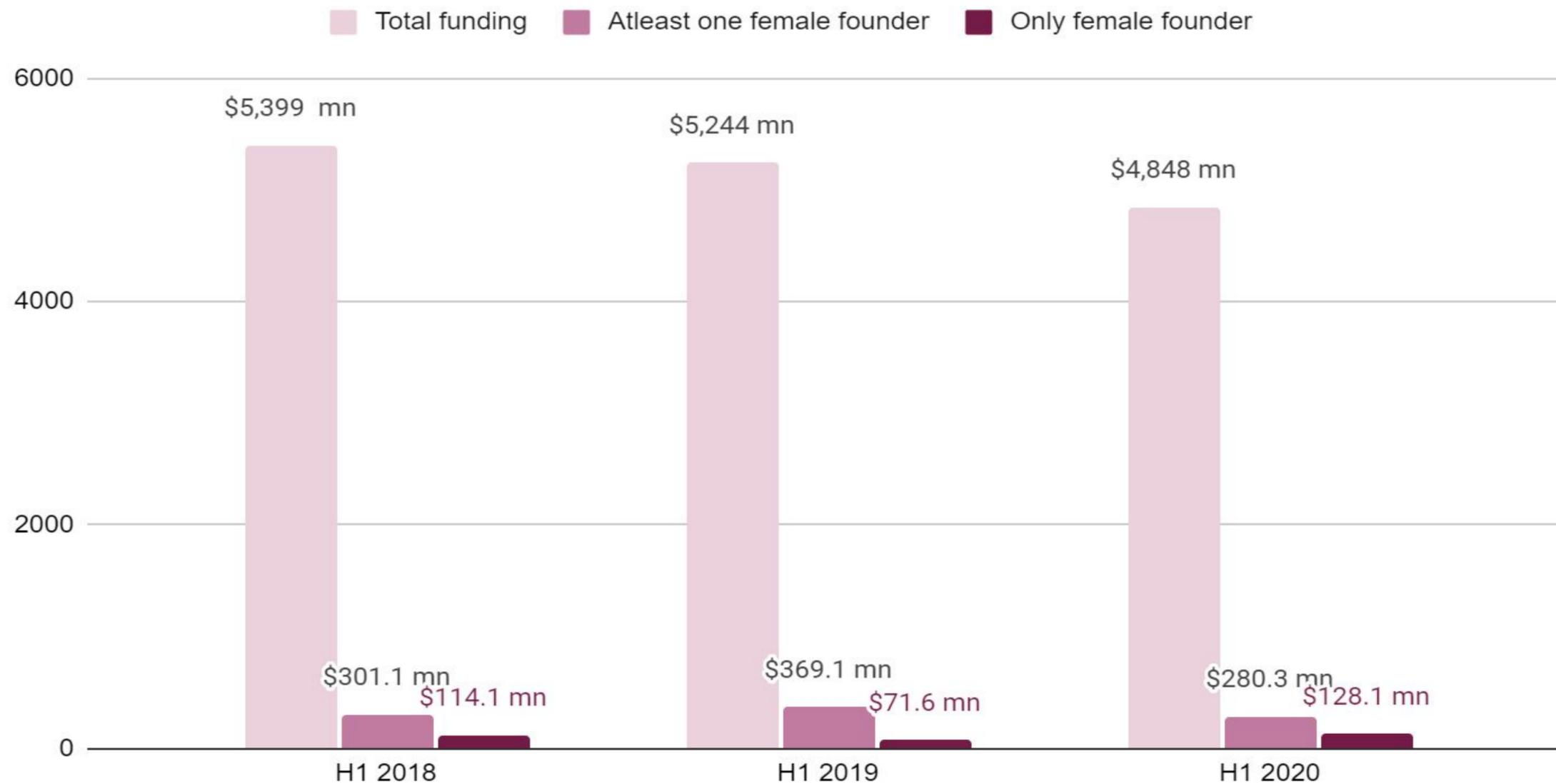
### INVESTMENT DISPARITY IN INDIAN STARTUP INVESTMENTS (JAN 2018 - JUNE 2020)



Investment disparity in Indian startup funding is consistent when analysed over comparable periods.

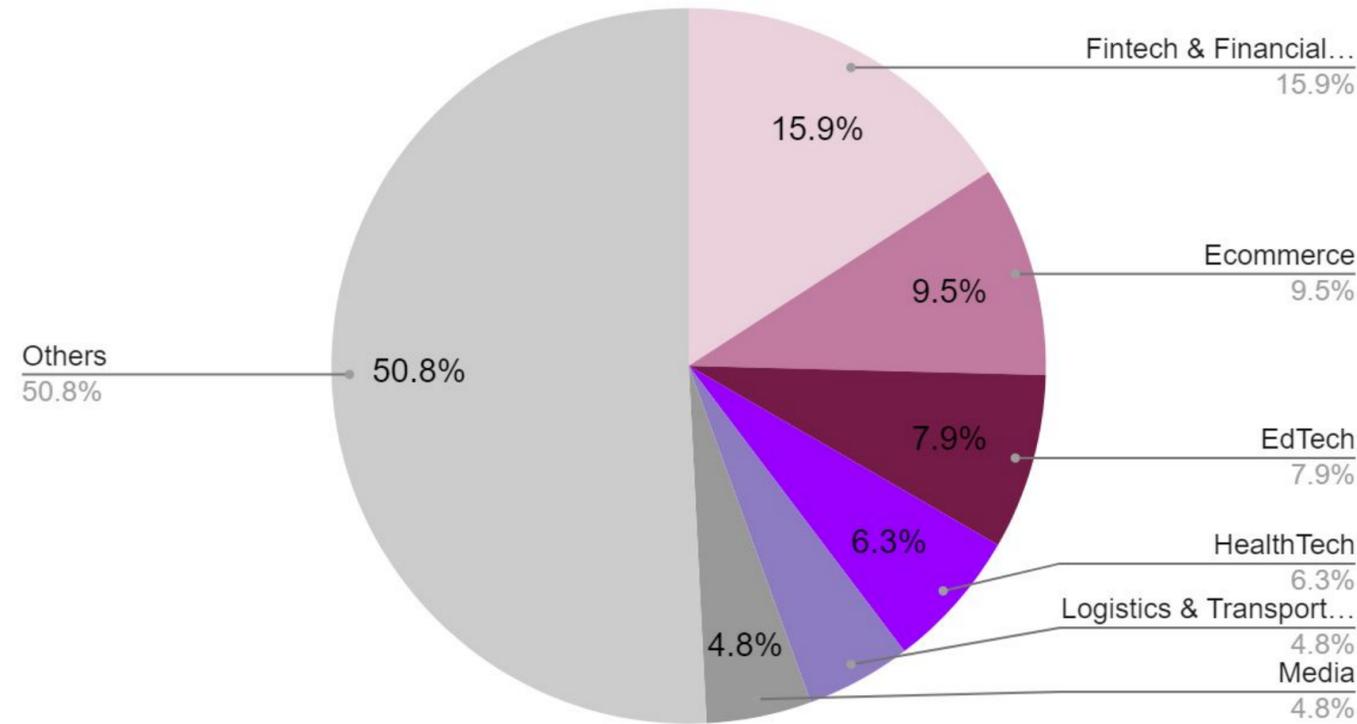
- In H1 2020, female-only-founded startups accounted for just 2.6% (or \$128.1 million) of total startup investments in India
- In H1 2020, female co-founded startups accounted for just 5.8% (or \$280.3 million) of total startup investments in India

### INVESTMENT DISPARITY IN INDIAN STARTUP FUNDING (IN \$MN)

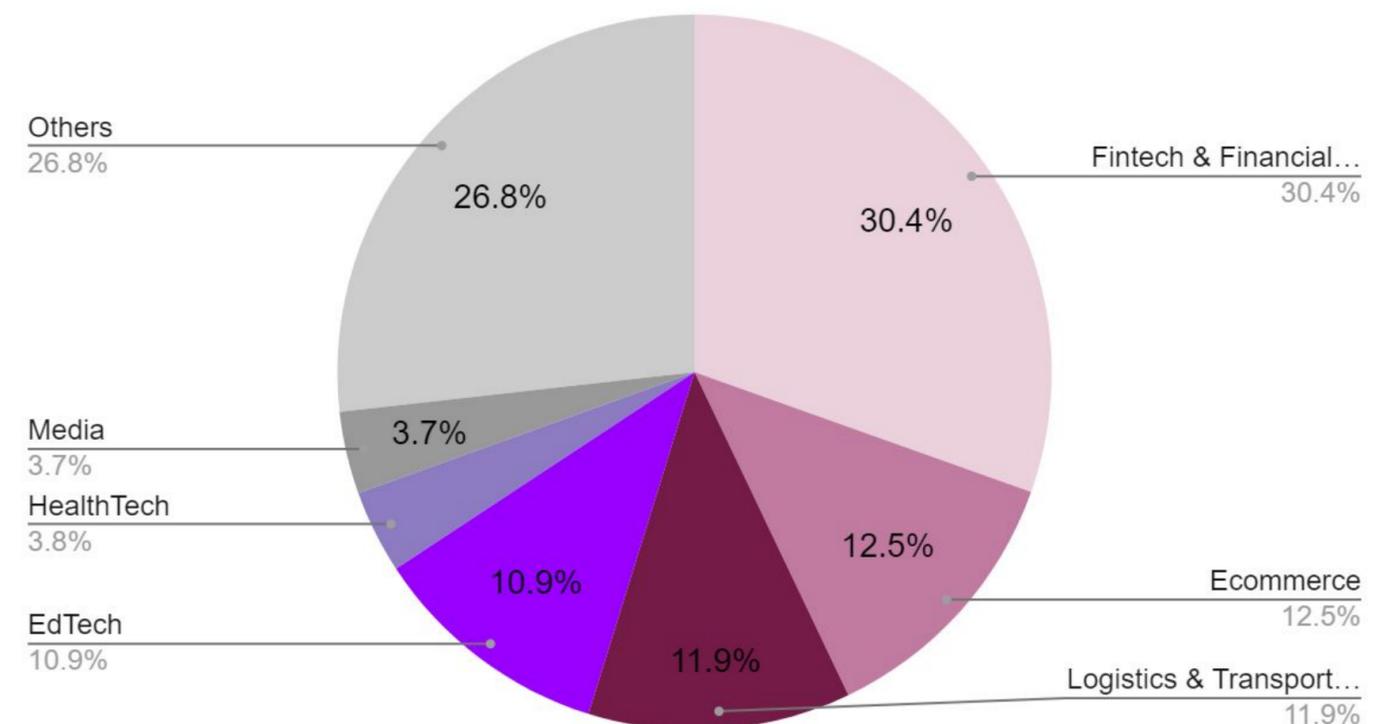


**3. Sectors women tech  
entrepreneurs favour:  
Fintech, Ecommerce,  
Edtech & Logistics**

**FEMALE TECH STARTUPS:  
TOP SECTOR BY NUMBER OF FUNDING DEALS**



**FEMALE TECH STARTUPS:  
TOP SECTOR BY NUMBER OF FUNDING AMOUNTS**



- **Fintech, Ecommerce, Edtech, and Logistics** are sectors investors preferred to lead investments in when it came to women tech entrepreneurs for the period of January 2018 to June 2020
- Other niche areas or sectors traditionally dominated by male founders are now attracting investor interest as women tech entrepreneurs make inroads into sectors like **Automotive, CleanTech, Hyperlocal, and SaaS**, among others
- More recently, **fintech and edtech startups led by women founders** have emerged as hot favourites for investors. Fintech (H1 2018 and H1 2019) and Edtech (H1 2020) topped in terms of number of funding deals and funding amount

**4. Major challenges faced  
by women tech founders:  
Raising funds, lack of  
forums for women  
entrepreneurs, networking,  
etc.**

# INVESTORS STILL SCEPTICAL ABOUT INVESTING IN WOMEN TECH ENTREPRENEURS

- Of the 2,460 investors who participated in total startup funding activity in India in the period for January 2018 to June 2020, only 22% (or 540 investors) invested in startups led by at least one woman founder
- In terms of the total number of disclosed funding deals in women-founded startups, Omidyar leads with at least 15 deals in women founded or co-founded startups, followed by Sequoia with at least 12 and SAIF with at least 9, between January 2018 and June 2020
- In terms of percentage of number of funding deals in women-founded startups out of total disclosed funding deals per investor, Fireside Ventures and Omidyar Network rank as the top two, with Fireside Ventures deploying at least 47% of its total startup investments into women-led startups and Omidyar deploying 33%

## OTHER KEY CHALLENGES

- Raising funds, networking, and maintaining a work-life balance
- Lack of networks and forums that support women entrepreneurs and allow dialogues
- Lack of inclusion in panels on entrepreneurship
- Patriarchal social mindsets
- Lack of mentoring from women leaders
- Difficulties at operational level and reduced profitability during COVID-19
- Scaling back expenses and cash flow management
- Newer and scalable opportunities
- Restructuring businesses for short and long-term
- Reshaping marketing strategies



**5. Steps taken by the  
startup ecosystem to  
enable women  
founders:**

**Support schemes by  
government, incubators,  
accelerators, etc.**

# OTHER SUPPORT PROVIDERS FOR WOMEN ENTREPRENEURS

## VC:

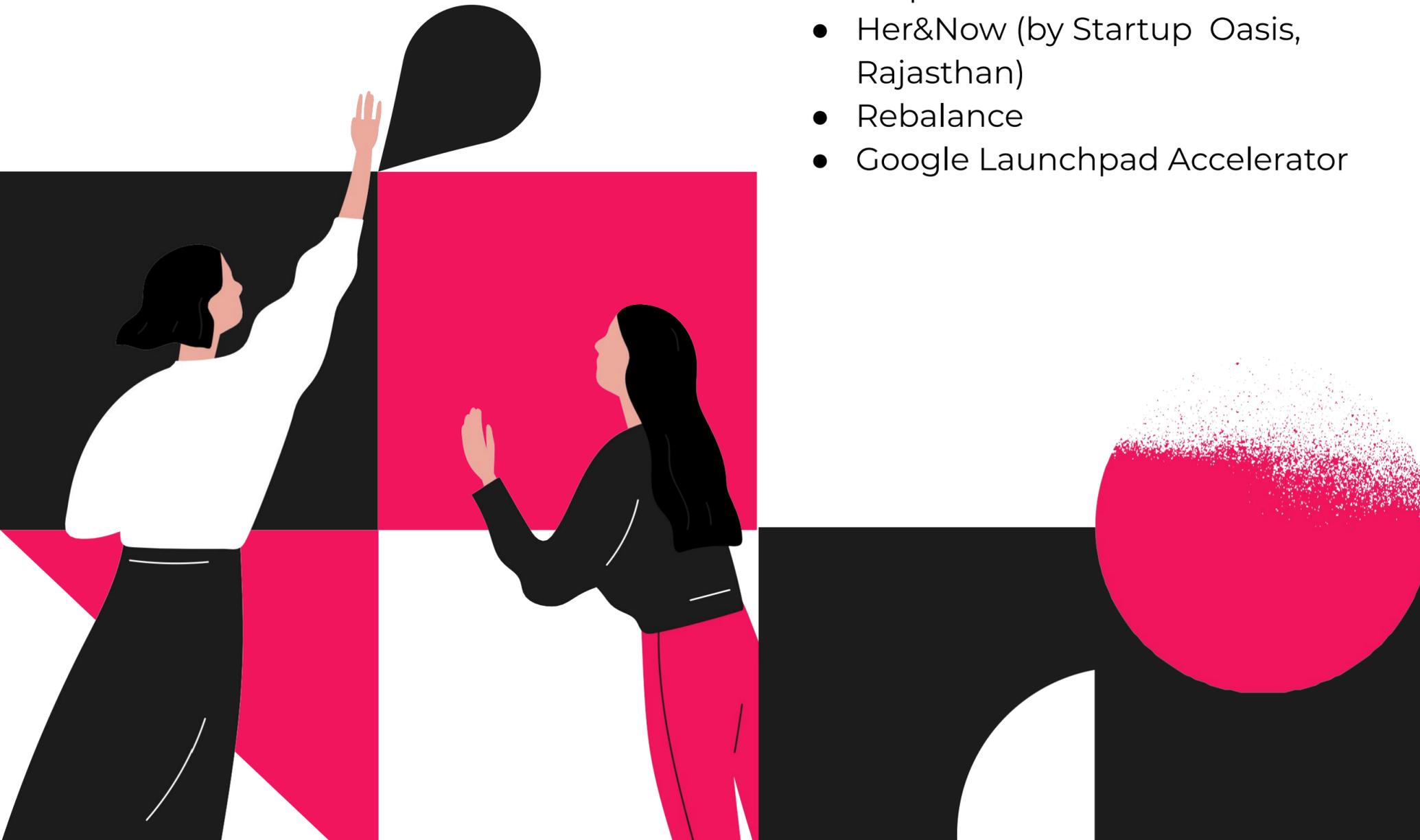
- She Capital
- AWE Funds

## Accelerators:

- ExcellerateHER (by NetApp)
- empoWer
- Her&Now (by Startup Oasis, Rajasthan)
- Rebalance
- Google Launchpad Accelerator

## Incubators:

- Virtual Incubation Programme for Women Entrepreneurs (VIP-WE) by Zone Startups, Startup India
- Women's Business Incubation Program (WBIP)
- Encubay
- WE HUB
- W-INcubate (by WSquare)
- Women Bio-Tech Incubator
- Womennovator
- Atal Innovation Incubator (AIC Banasthali Vidyapith University)



## **SUPPORT SCHEMES OFFERED BY THE GOVERNMENT**

- Women Entrepreneurship Platform (WEP)  
by NITI Aayog
- Stand-Up India
- Pradhan Mantri MUDRA Yojana (PMMY)
- Cent Kalyani Scheme
- Trade Related Entrepreneurship Assistance and Development) Scheme (TREAD)
- Mahila Udyam Nidhi Scheme (by PNB)
- Bhartiya Mahila Bank Business Loan
- Stree Shakti Scheme (by SBI)
- Annapurna Scheme
- Udyogini Yojana (by Women Development Corporation, Govt of India)

## OTHERS:

- Saha Fund (Approved by SEBI)
- Sequoia Spark
- Sonderconnect
- HerMoneyTalks
- Cash Suvidha
- Womomentum Accelerator
- Crowdfunding platforms like Bitgiving, Rug Beneath My Feet
- TiE Stree Shakti
- 500 Women (by AngelList)
- Catalyst for Women Entrepreneurship (CWE)
- Women Entrepreneurship & Employment (WEE)
- Women Entrepreneurs India ([www.womenentrepreneursindia.com](http://www.womenentrepreneursindia.com))



## 6. Steps the ecosystem can take to boost the state of women in tech entrepreneurship in India:

Create leadership roles for women, more funding platforms, etc.

## Take Steps To Overcome 3Cs

Circumstances, Capital, and Confidence. Women need to have supportive and conducive home environments and networks that allow them to flourish as entrepreneurs. They need access to Capital to grow unfettered and the Confidence in their own abilities to know how to stay on course and achieve excellence. The ecosystem stakeholders should take steps to help women entrepreneurs in overcoming these.

### **Increase ratio of women in leadership roles**

The more the role models, the faster the new generation will be able to shatter age-old notions of entrepreneurship. Corporate entities should promote more women leaders in top management to help them voice their opinions and make an effort to create a difference.

### **Increase in number of women mentors**

More women should start mentoring fellow women entrepreneurs at an early stage. The best way women in leadership roles can support each other is by identifying and appreciating their achievements. They should shed biases and the right founder-investor fit.





## **Promote women workforce support under corporate CSR activity**

Similar to a financial inclusion initiative, wherein a number of rural accounts need to be opened by banking authorities in a financial year, Indian corporates in the technology domain should be encouraged to offer internship/mentorship opportunities to students that will help them understand the business world better. This can be part of a company's CSR mandate.

## **More open platforms for fundraising**

Open platforms like Shark Tank can promote transparency and reduce chances of gender bias in the ecosystem while motivating female founders to openly present their MVPs to investors.

# **7. Steps the government can take to boost women in tech entrepreneurship in India:**

**Setting up women-specific  
growth funds, tax benefits,  
etc.**

### **1. INCREASE PARTICIPATION OF WOMEN IN POLICY DECISIONS**

Organise more women-led panel discussions and policy-decision frameworks. With digital webinars and events revolutionising networking strategies for companies, effort must be taken to help more women entrepreneurs come forward and voice their opinions.

### **2. SPECIAL INCENTIVES FOR INVESTORS INVESTING IN WOMEN-LED STARTUPS**

An investor invests not only the time, but also their confidence, energy, and future earning expectations in a startup investment. Efforts must be taken to boost investor confidence when it comes to invest in women founded startups.

### **3. SET UP A WOMEN-SPECIFIC GROWTH-STAGE FUND**

While initiatives such as Standup India and PMMY offer financial support for women entrepreneurs at early stage, a growth-stage fund should be launched for women entrepreneurs to encourage them to scale and avoid seeking early exit opportunities.

### **4. ADDITIONAL TAX BENEFITS FOR WOMEN-LED STARTUPS THAT ARE YET TO BREAK EVEN**

For example, reducing tax for technology products and services to 12% - 15% from the current 18%.





### **5. CREATE WOMEN-SPECIFIC COVID-19 SUPPORT**

The COVID-19 pandemic has led to reduced funding in the ecosystem for women-led startups. There are benefits allotted for MSMEs, however, specific to women entrepreneurs in tech, funding grants should also be provided for early-stage startups to avoid shutting down of operations.

### **6. CONDUCT WOMEN-SPECIFIC GOVERNMENT-LED DIGITAL NETWORKING SESSIONS**

Mobility and work-life balance are key concerns for women entrepreneurs when it comes to networking. Women in Tier-II and III cities are particularly deprived of these opportunities. With the progress of the Digital India mission, the government should initiate a once-in-a fortnight or once-in-a-quarter digital networking sessions for women with ecosystem stakeholders.

### **7. INITIATE AATMANIRBHAR WOMEN-SPECIFIC TECH CAMPAIGNS**

The government should initiate regular campaigns to promote women's entrepreneurship in the country. These can be organised at school to post-graduation levels in all technical and non-technical universities.

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### ABOUT MAKERS INDIA

**MAKERS India** is an initiative by Verizon Media, the media and online business of global conglomerate Verizon Communications, to celebrate 'Women Who Make India.' MAKERS India's vision is to drive equality for women by creating an inclusive and empowered community for them and boosting their workforce participation in India.

Launched in India in October 2019 as a partnership between Verizon Media and YourStory Media, MAKERS India seeks to facilitate compelling change through inspirational, hopeful stories of trailblazing women. MAKERS India unites women in every industry segment, at every level, around the issues that matter most, one story at a time.

Verizon Media houses a trusted media ecosystem of premium brands like Yahoo, TechCrunch, and HuffPost to help people stay informed and entertained, communicate and transact, while creating new ways for advertisers and media partners to connect. From XR experiences to advertising and content technology, Verizon Media is an incubator of innovation and is revolutionizing the next generation of content creation in a 5G world.

### ABOUT YOURSTORY MEDIA

**YourStory** is India's leading digital storytelling platform for entrepreneurs and changemakers, with over 100 million readers and hundreds of partners who rely on the company's content and community for intelligent insights on the Indian entrepreneurial ecosystem. Over the years, YourStory has told more than 90,000 stories, creating a rich repository of data and content on the startup ecosystem.