

## AI drives funding boom for cybersecurity startups in India

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**BENGALURU:** Cybersecurity startups in India have attracted capital in the past couple of months, indicating that the sector might be on its way to maturing, led by the growth of new threats brought about by advancements in artificial intelligence. In addition, foreign cybersecurity companies are opening shop here, or expanding their offerings in a market that is poised for growth. According to startup data intelligence platform Tracxn, at least nine cybersecurity startups raised funding since August, with six raising seed money and three securing Series-A funding.

Equal, an identity management platform, raised \$10 million, followed by Protectt.ai, a mobile app security platform (\$8.7 million), and cloud-based penetrating testing platform Astra (\$2.7 million). Blume Ventures and Bessemer Venture Partners participated in these



Indian firms are likely to spend \$3.3 billion on cyber security this year. ISTOCKPHOTO

funding rounds. "Till 2023, cybersecurity was considered a cost centre as the AI space was still maturing," said Munish Vaid, vice president, digital transformation & technology, Primus Partners India. "It was considered a backroom IT function. It's not the case any longer. Now it's a priority for companies." Indian firms are expected to spend \$3.3 billion this year on network security, security services and security software, up 16.4% from a year ago, according to a Gartner forecast. The highest growth in spending is

expected on security services, at \$1.6 billion. Two trends are likely to play out in the course of the year: generative AI's impact on data security, and the transition to focus on cyber resilience, acknowledging that cyber incidents are a matter of "when, not if", Gartner added.

Cybersecurity is no longer about setting up countermeasures, firewalls and lines of malware-detecting code, moving into realms of AI, where cloning voices, creating deepfakes manipulating text is becoming common. Last year, Bharti Enterprises CEO Bharti Mittal narrated at NDTV World Summit how scammers cloned his voice to get his assistant to transfer a large amount of money. "Newer threats are emerging, newer solutions and needless to say, newer investment opportunities," said Vikram Ramasubramanian, partner, Inflection Point Ventures, which led a \$600,000 pre-seed round in deepfake detection firm Neural Defend, said.