

MARKET INTELLIGENCE REPORT

2025

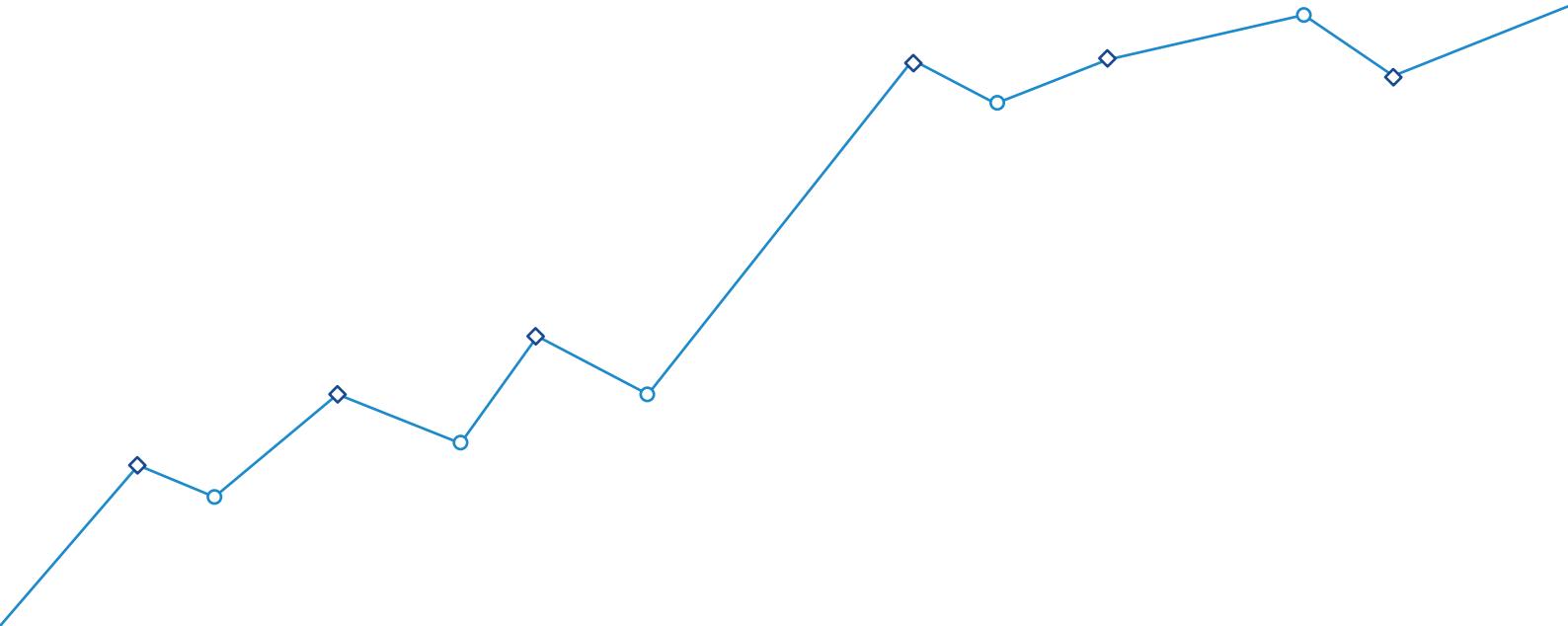


Volume III | Nov, 2025

An overview of Nepal's private equity and venture capital landscape, highlighting key trends of 2024

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Message from the Chairperson

The report highlights a remarkable increase in investment activities by NPEA members, with a total of USD 64 million invested in 2024 alone, contributing to a cumulative total of USD 165 million from 2012 to 2024.

Dear Members, Partners, and Stakeholders,

The Private Equity and Venture Capital (PE/VC) ecosystem in Nepal is experiencing steady and dynamic growth, as highlighted in our latest publication, NPEA Market Snapshot Volume II, July 2025 which illustrates this significant advancement. This in-depth report is a reflection of the collaborative efforts of the Nepal Private Equity Association (NPEA) and our dedicated members. As we navigate through this landscape, this report provides invaluable insights into the trends, opportunities, and achievements of the past year. As we traverse this evolving landscape, this report offers critical insights into the key trends, possibilities, and accomplishments of the previous year.

2024 has been a year of significant milestones for the PEVC sector in Nepal. The report highlights a remarkable increase in investment activities by NPEA members, with a total of USD 64 million invested in 2024 alone, contributing to a cumulative total of USD 165 million from 2012 to 2024. 40 investments were made in total. These investments span multiple sectors, reflecting a diversified and strategic approach.

This expansion demonstrates our market's dynamism and tenacity and underscores the optimism and commitment of both domestic and foreign investors in Nepal's financial potential. The introduction of new funds, the diversity of sectors attracting investments, and the active participation of various market players have collectively strengthened our investment ecosystem. Notably, sectors such as renewable energy, information technology, and manufacturing companies have seen substantial investments, indicating a strategic focus on areas crucial for sustainable development.

As we persist in advocating for a supportive regulatory environment and promoting professional development within the industry, the NPEA remains committed in its mission to advance Nepal's private equity and venture capital landscape. Through our efforts in policy advocacy, capacity building, networking, and research, we continue to play a vital role in fostering a dynamic and investment-friendly ecosystem. Through its strategic goals, NPEA promotes transparency, reliability, and social impact across the investment ecosystem.

I sincerely thank our members, partners, and stakeholders for their continued support and collaboration—together, we are laying the foundation for a vibrant and sustainable investment future in Nepal. We sincerely appreciate Invest for Impact (IIN) for their steadfast and unwavering support of our initiatives and endeavors.

Dhruba Timilsina

Chairperson



About the Nepal Private Equity Association

Established as a profit non-distributing entity under the Companies Act, The Nepal Private Equity Association (NPEA) is a representative entity of private equity and venture capital fund managers in Nepal. NPEA currently consists of 22 'regular' members which includes private equity and venture capital fund managers and 9 'associates' members comprising business service providers such as law firms and audit firms.

The association serves as a vital bridge among its members by offering a platform for networking, training, research, and resource sharing. We are committed to fostering a sustainable investment environment and shaping policy to support the growth of Nepal's alternative investment ecosystem. Our initiatives—ranging from training programs and networking events to awareness campaigns—are designed to strengthen the private and alternative investment landscape, enhance professional competencies, and facilitate meaningful connections between local and international industry stakeholders.



VISION

To promote and strengthen the alternative investment ecosystem in Nepal by bringing together stakeholders in the country's expanding entrepreneurial landscape.



MISSION

To create a sustainable investment ecosystem by nurturing its regular and associate members.

OBJECTIVES

- Advocate for policies that support the growth of private equity, venture capital, and alternative investments in Nepal.
- Provide training and capacity-building programs to enhance the skills of professionals in the alternative investment sector.
- Foster a fair and equitable environment for both domestic and international fund managers.
- Facilitate connections and meaningful dialogues between local private equity and venture capital (PEVC) firms and their regional and global counterparts.



Core Pillars of NPEA



Policy Advocacy & Lobbying

NPEA engages with regulators and government agencies to advocate for a conducive legal and regulatory environment that supports sustainable private equity and venture capital (PE/VC) investments in Nepal.



Training Programs

NPEA conducts specialized training programs designed to enhance the knowledge, skills, and professionalism of PE/VC practitioners in Nepal.



Networking Events

The association organizes a wide range of networking events, offering meaningful opportunities for engagement among members and with key stakeholders and influential entities within the investment ecosystem.



Research & Insights

The association provides periodic research-based insights to its members and undertakes commissioned research to deliver accurate, data-driven analysis on relevant sectors.

Methodology and Data Collection

Methodology

The data and analysis presented in this report were collected and compiled using a multi-stage process to ensure accuracy and reliability. The methodology involved the following steps:

Data Collection

Data were gathered from member firms associated with the Nepal Private Equity Association (NPEA) through voluntary surveys. The contributors were provided with an excel sheet and asked for various details of their investments made. These firms represent a broad spectrum of the investment community, including venture capitalists and private equity investors.

Data Validation

The collected data underwent a rigorous validation process to ensure accuracy and consistency. Any inconsistencies or discrepancies were resolved through communication with the respective firms.

Data Analysis

The data were analyzed using statistical methods and financial analysis techniques to derive meaningful insights into the private equity and venture capital investment landscape in Nepal.

Peer Review

The analysis was reviewed by internal and external experts in the field of private equity and venture

capital to ensure its validity and reliability.

Report Compilation

The findings of the analysis were compiled into this report, which aims to provide a comprehensive overview of the private equity and venture capital market in Nepal for the year 2024 and cumulatively from 2012 to 2023.

It is important to note that while every effort has been made to ensure the accuracy and reliability of the data and analysis, the methodology is subject to certain limitations, including the voluntary nature of data collection and the reliance on self-reported information from member firms.

Limitations

Our every effort has been made to ensure the accuracy and reliability of the data and analysis despite that methodology is subject to certain limitation as mentioned below:

1. The data is collected as a voluntary set of action which is completely based on the faith that we have in our member firms.
2. Due to confidentiality issues we are not allowed to release exact figures of the invested amount of each firm in our report.
3. Data is collected entirely from the member firms which does not completely represent the entire investment dynamic of the country.

Market Overview and 2024 Highlights

Sources of Data

This report is based exclusively on data collected through voluntary surveys from member firms of the Nepal Private Equity Association (NPEA). It does not include information from non-affiliated organizations or institutions. Representing a broad spectrum of the investment community, including venture capital and private equity firms, NPEA aims to provide an accurate and comprehensive overview of investment activities for the specified period.

Importance of the Report

For investors

Provides a comprehensive analysis of the market, equipping investors with the knowledge to make well-researched and informed decisions and understand the broader context of the industry.

For Entrepreneurs

Provides insights into sectors attracting investments, enabling entrepreneurs to align their business strategies with current market trends.

For Policy makers

Facilitates understanding of the alternative investment landscape, which is essential for developing policies that encourage investment and support sector growth. Additionally, the discussion on policy reforms informs regulators about key challenges in the private equity and venture capital (PEVC) sector, as highlighted by attorneys in the field.

DISCLAIMERS

The information presented in this report, "Market Snapshot Volume III (2024)," published by the Nepal Private Equity Association (NPEA), is based on data voluntarily provided by member firms associated with the NPEA. The report aims to provide insights into the private equity and venture capital (PEVC) investment made by its member firms for the year of 2024, as well as cumulative data from 2012 to 2023. While every effort has been made to ensure the accuracy and reliability of the data and analysis, the NPEA and the authors of this report cannot guarantee the completeness or validity of the information provided. The report is intended for informational purposes only and should not be construed as investment advice. Readers are advised to conduct their own research and analysis before making any investment decisions. The NPEA and the authors disclaim any liability for any loss or damage arising from the use of or reliance on the information presented in this report.

Market Overview and 2024 Highlight

“ All amount projected in this report is in US dollars “

2024 PEVC MARKET HIGHLIGHTS INVESTMENT TRENDS FROM NPEA MEMBERS

Table 1: Summary Of Key Metrics Highlights of 2024

	2024	Total Data up to 2024
Total Number of Funds with Recorded Investments	9	19
Total Number of Deals	40	137
Total Amount Invested	USD 64 Million	USD 174 Million

Table 1 provides a summary of key metrics from the private equity and venture capital market for the year 2024, alongside cumulative figures from previous years or a broader dataset between 2012–2023 which was previously reported in the second volume of the market snapshot.

Record Investment Activity in 2024

With 40 deals recorded, 2024 marks the highest level of deal activity to date, suggesting heightened investor confidence and a maturing investment environment.

Significant Capital Deployment

USD 64 million was invested in 2024 alone—nearly 40% of all capital deployed since 2012—indicating larger deal sizes and growing average fund capacity.

Expanding Investor Base

Nine different funds made investments in 2024, three of which made their first investments this year. This points to increased participation by a broader institutional base.

Cumulative Growth Since 2012

A total of 19 funds and 136 deals have been recorded since 2012, with a total investment volume of USD 165 million—reflecting a slow but steadily expanding ecosystem over the past decade.

Rise of Regulated Domestic Funds

The surge in activity is largely driven by funds licensed under the Specialized Investment Fund (SIF) provision, signaling regulatory frameworks are beginning to take effect in mobilizing capital.

**The amount up to 2023 was reported to be 101 million last year, but has been updated to 110 Million this year*

Investment Count by Each Fund in 2024

Table 2: Lists the total number of investments by each fund in 2024

Fund Name	No. of Investments in 2024
Alpha Plus Vision Fund	4
Avasar Equity Diversified Fund	5
Dolma Impact Fund- II	2
Laxmi Sustainable Energy Fund	3
Nepal Opportunity Fund - I	10
NIBL Equity Partners	4
Prabhu Dynamic Private Equity Fund-1	3
Reliable Private Equity Fund	8
True North Associates	1
Grand Total	40

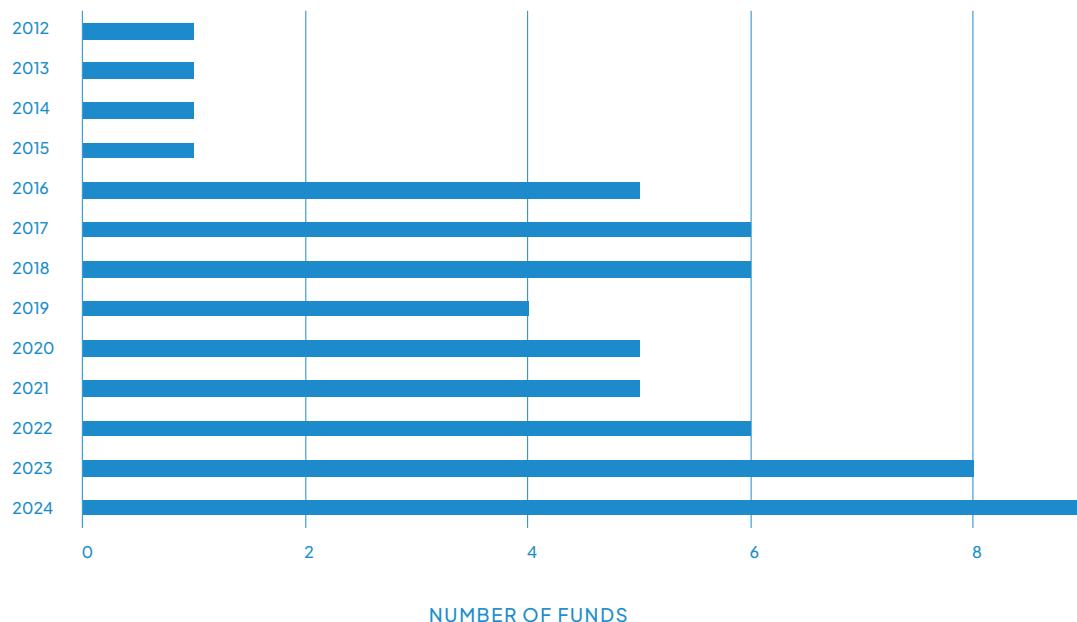
A total of 40 investments were made by nine different funds in 2024—the highest level of annual participation recorded to date. Nepal Opportunity Fund – I, managed by Adhyanta Fund Management, led the market with 10 deals, followed closely by Reliable Private Equity Fund, managed by Reliable Venture Capital, with 8. Together, these two funds accounted for nearly half of all investment activity in 2024, highlighting their central role in driving deal flow during the year.

Table 3: Breakdown of funds by their fund type

Fund Name	Status
Alpha Plus Vision Fund	Old
Avasar Equity Diversified Fund	Old
Dolma Impact Fund II	Old
Laxmi Sustainable Energy Fund	New
Nepal Opportunity Fund - I	New
NIBL Equity Partners	Old
Prabhu Dynamic Private Equity Fund - 1	Old
Reliable Private Equity Fund	New
True North Associates	Old

ACTIVE FUNDS THROUGHOUT THE YEARS

Figure 1: The number of funds into investments since 2012



The number of funds making investments has shown steady growth over the years, with 9 funds deploying capital in 2024. Among them, three were newly established funds making their first investments. This upward trend reflects a growing pool of active investors in the market.

TOTAL NUMBER OF FUNDS

There were nine funds by nine fund managers active (i.e. made investments) in 2024, contributing to a cumulative total of nineteen funds that have made investments till date. Three of these, or 33.3%, are new funds that had no prior investments made before 2024. Laxmi Sustainable Energy Fund, Nepal Opportunity Fund - I and Reliable Private Equity Fund are among the newcomers to the market for 2024. The newcomers notably boosted investment's overall growth.

TOTAL AMOUNT INVESTED

In the year 2024, USD 64 million was invested by PEVC funds in Nepal, contributing to a grand total of USD 165 million till date. This year's investments represent a substantial fraction (roughly 36%) of the total capital deployed, highlighting 2024 as a significant year for investment volume. Overall, the PEVC market in 2024 was characterized by an active investment scene, with a considerable number of new investors, a healthy volume of investments, significant capital injection, and a diverse but focused industry interest. This snapshot indicates growth within the PEVC sector for the year 2024.

TOTAL NUMBER OF INVESTMENTS

In 2024, the 40 investments made represents a 41.67% increase in the total number of investments to date, bringing the total to 136 till date.

Total Number Of Funds

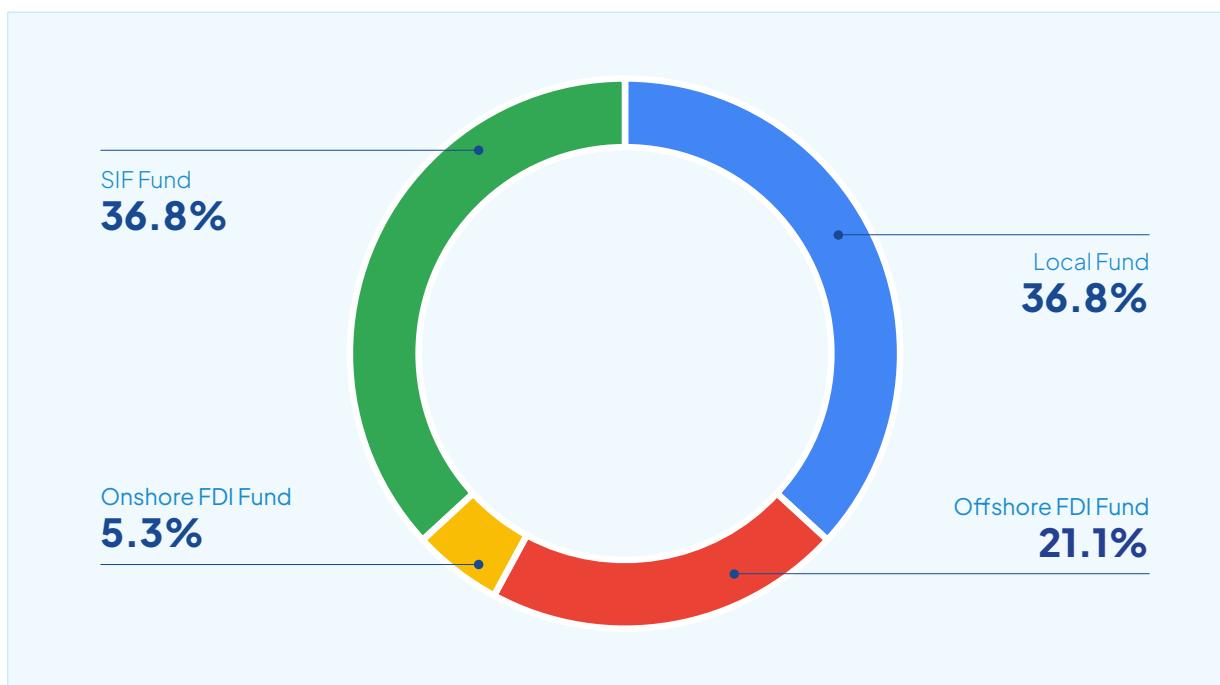
Table 4: Breakdown of funds by their fund type

Type of Funds	Number of Operational Funds
Local Funds	7
Offshore FDI Funds	4
Onshore FDI Funds	1
SIF Funds	7
Grand Total	19

The above summary presents a categorization of private equity and venture capital market funds based on their type. It distinguishes between funds that are operational across four different types: Local Fund, Offshore Foreign Direct Investment (FDI), Onshore FDI, and Specialized Investment Fund (SIF) Fund. There are a total of 19 funds that are active across all categories to date. This overview highlights the PEVC market's current and potential dynamism, particularly in context of the Specialized Investment Fund 2019 provision.

ACTIVE PEVC FUNDS

Figure 2: Number of active PEVC funds by fund type to date



LOCAL FUND

It is established as a limited liability company, with investments exclusively sourced from Nepalese Investors. There are seven local funds that have made investments as of 2024.

OFFSHORE FDI

Funds are registered outside of Nepal and engage in direct investments within Nepal's portfolio's without the need for a local presence. There are four offshore FDI funds that have made investments as of 2024.

ONSHORE FDI

Funds are established as limited liability investment companies in Nepal, attracting full or partial investments from investors, and they also have the Fund manager incorporated in Nepal. There is only one active onshore FDI fund, indicating a comparatively minuscule market presence in Nepal.

SPECIALIZED INVESTMENT FUND (SIF)

There are seven funds licensed under the Specialized Investment Fund 2019 within the securities Act. The number of SIFs licensed funds increased by 75% in 2024.

TOTAL AMOUNT INVESTED IN 2024 BY NPEA MEMBERS

Figure 3: Fund type-wise total amount invested in 2024

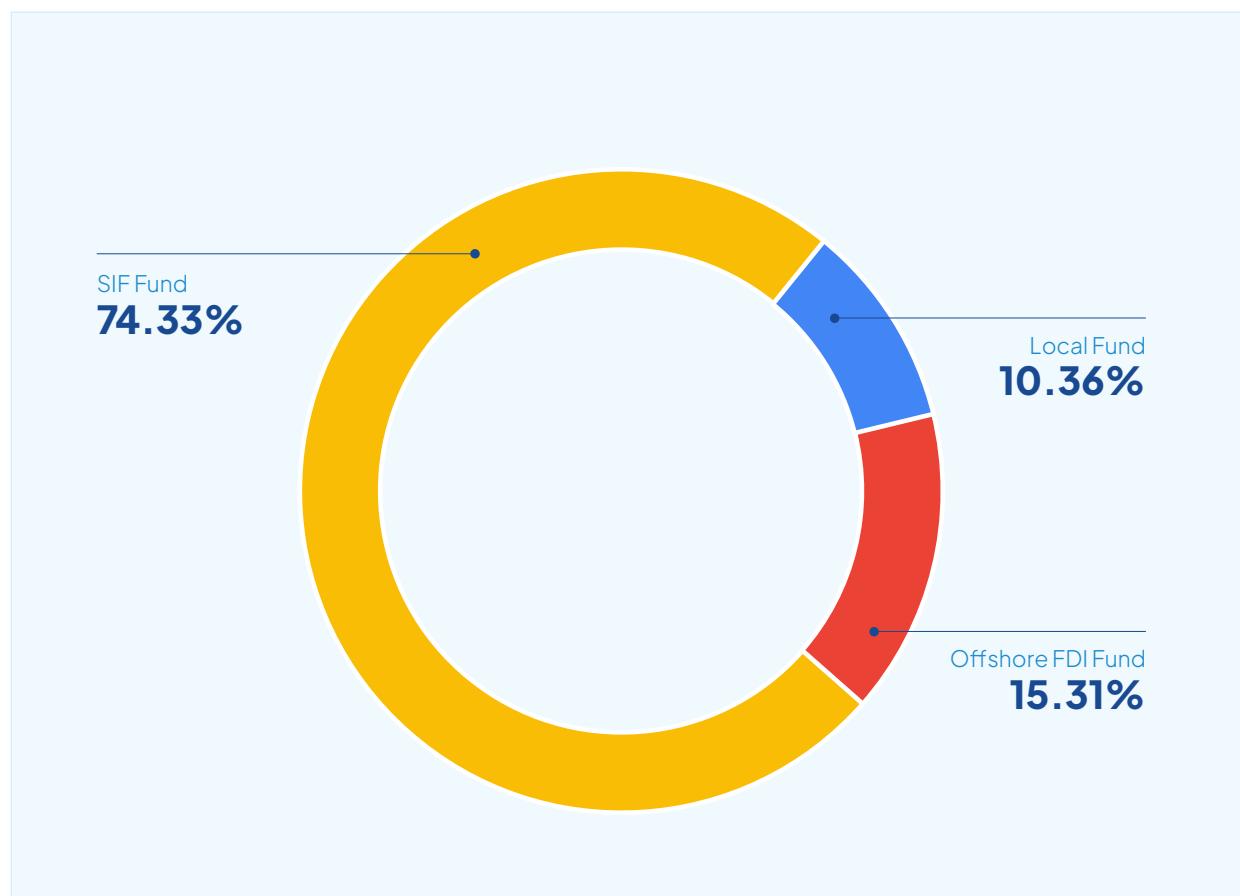


Figure 3 illustrates how the USD 64 million dispersed in 2024 was allocated among various types of funds.

Figure 4: Fund Type Wise Amount Invested in 2024

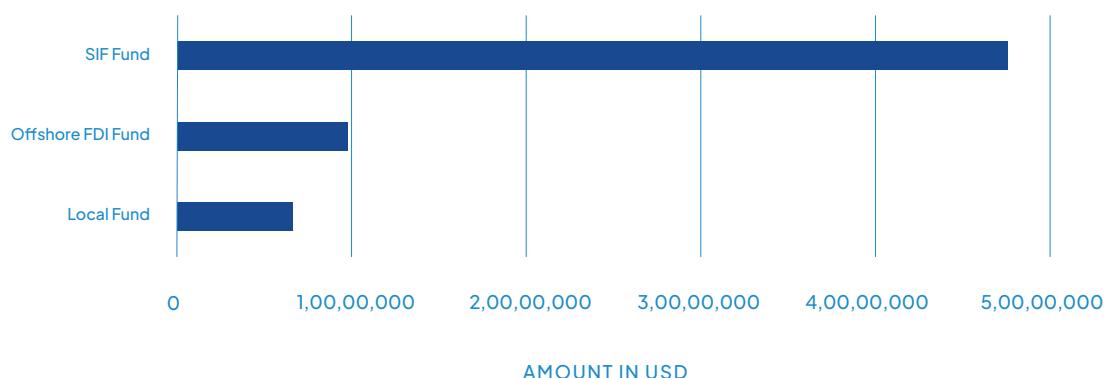


Figure 4 illustrates an accrued distribution among various types of funds in 2024

Figure 5: Fund total amount investment from 2012–2024

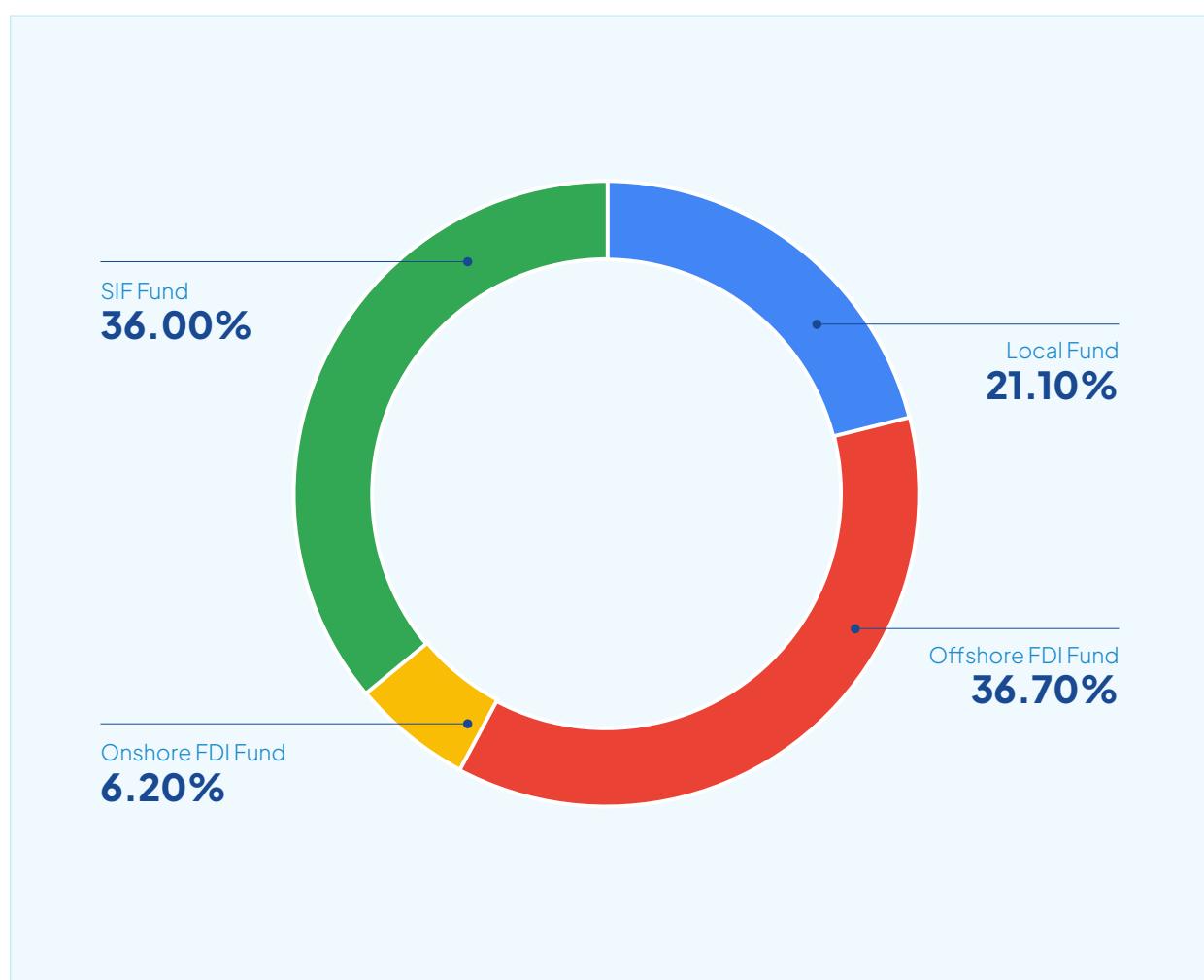


Figure 5 illustrates a cumulative overview of the distribution of USD 136 million from 2012 to 2024 across the four fund types.

Figure 6: Fund Type Wise Amount Invested 2012 - 2024

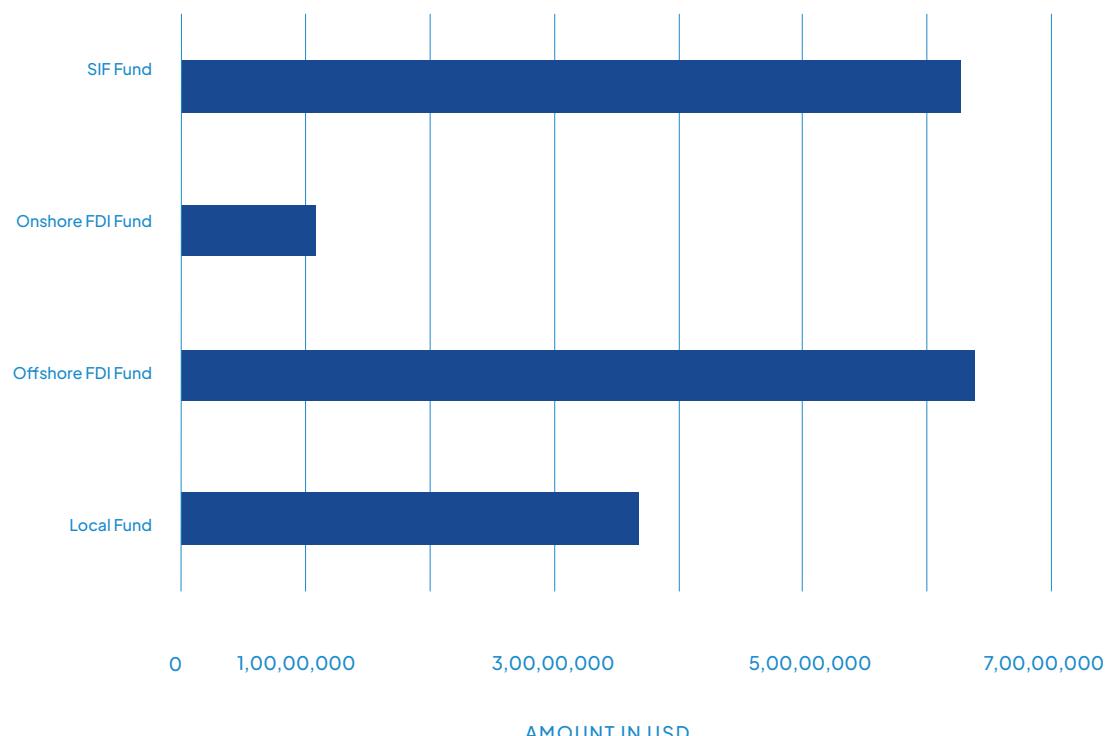


Figure 6 illustrates a gradual overview of the distribution from 2012 to 2024 across the four fund types.

OFFSHORE DFI BACKED

Accounts for 15.3% of the total investment in 2024. Between 2012 and 2024, Offshore FDI backed has made 36.7% of the total investment amount.

LOCAL FUND (NON-SIF)

Made up 10.4% of the total investment, represented in 2024. To date, considering all the investments made, they represent 21.1% of the investments.

SIF FUNDS

Made up 74.3% of the total investment in 2024 and the largest among the four fund types which made their total share 36% to date.

ONSHORE DFI BACKED

The smallest segment, which also made no investments in the year of 2024. Onshore DFI Backed funds make up 6.2% of the total investments by PEVC funds from 2012 to 2024.

Year-over-Year Investment Trends (2012-2024)

YEAR-OVER-YEAR INVESTMENT TRENDS (2012-2024)

Figure 7: Year-over-Year Investment Trends (2012-2024)



Figure 8: Amount of investment made in various sectors by PEVC Funds between 2012 to 2024

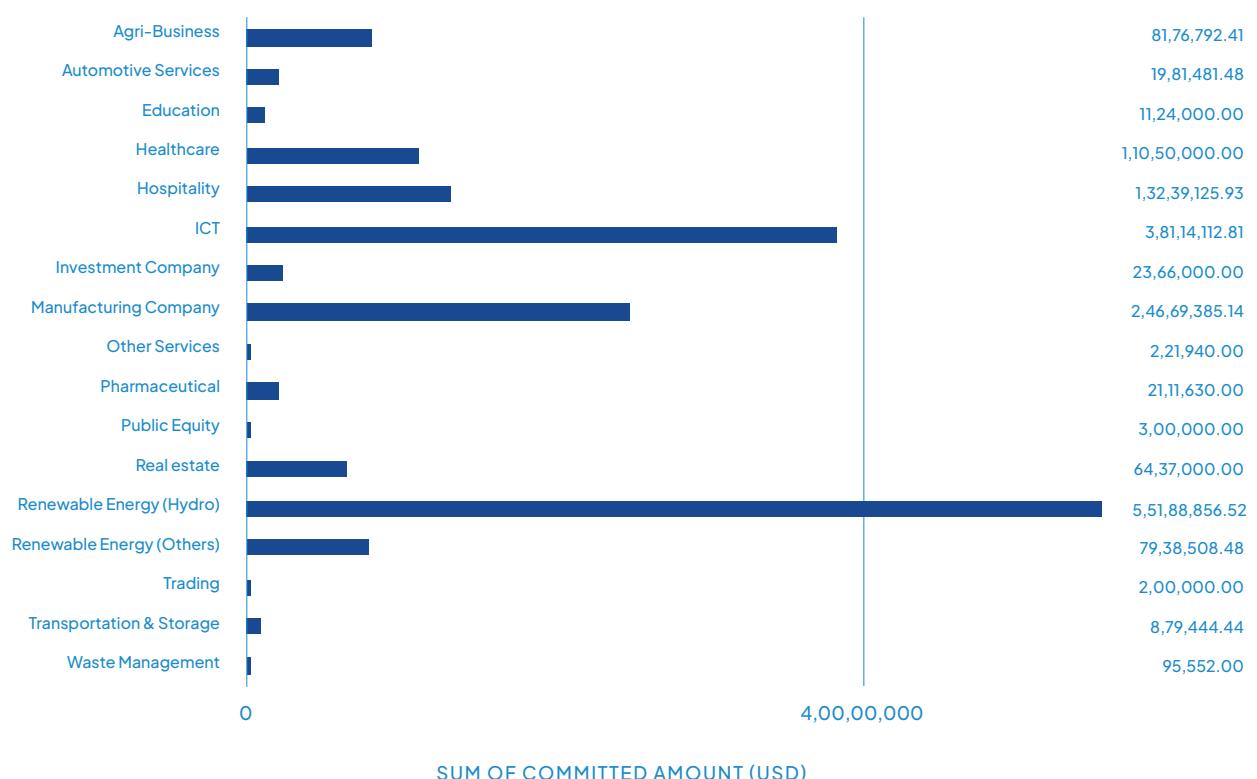


Figure 9: Largest amount of investment made in various sectors by PEVC Funds between 2012 to 2024

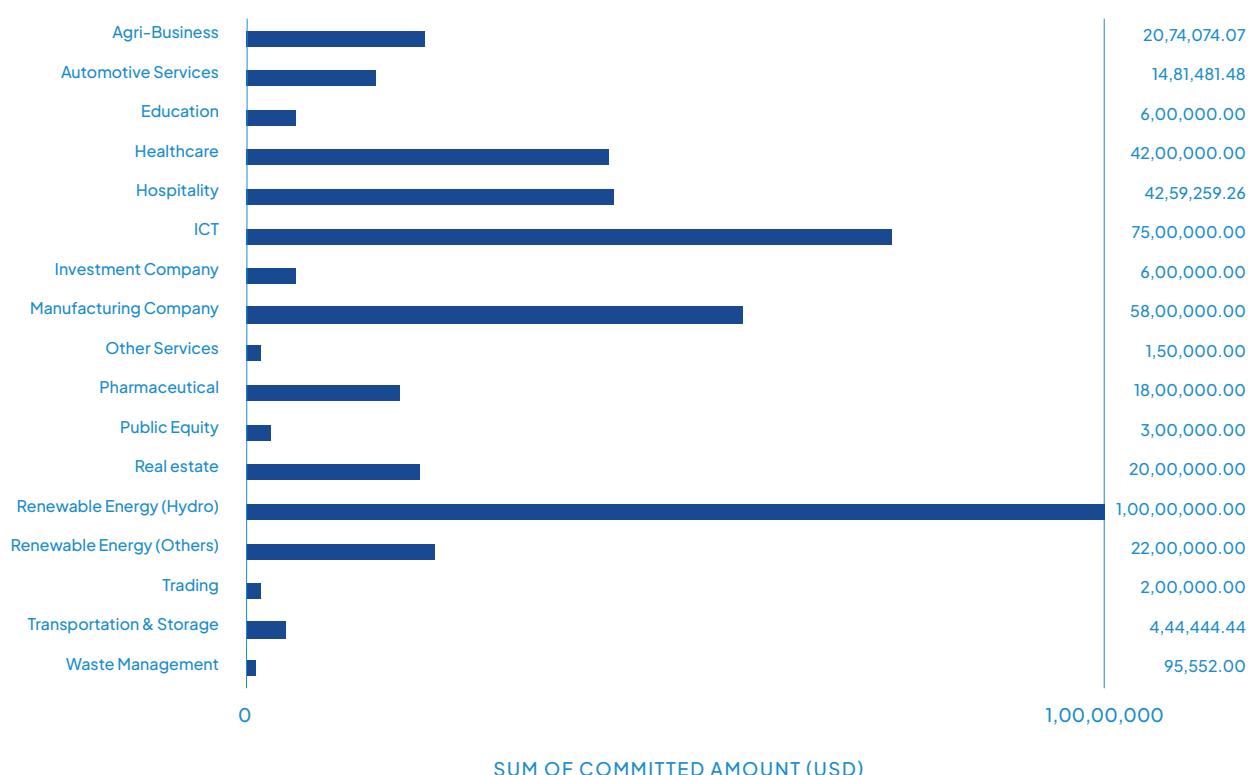


Figure 10: Average amount of investment made in various sectors by PEVC Funds between 2012 to 2024

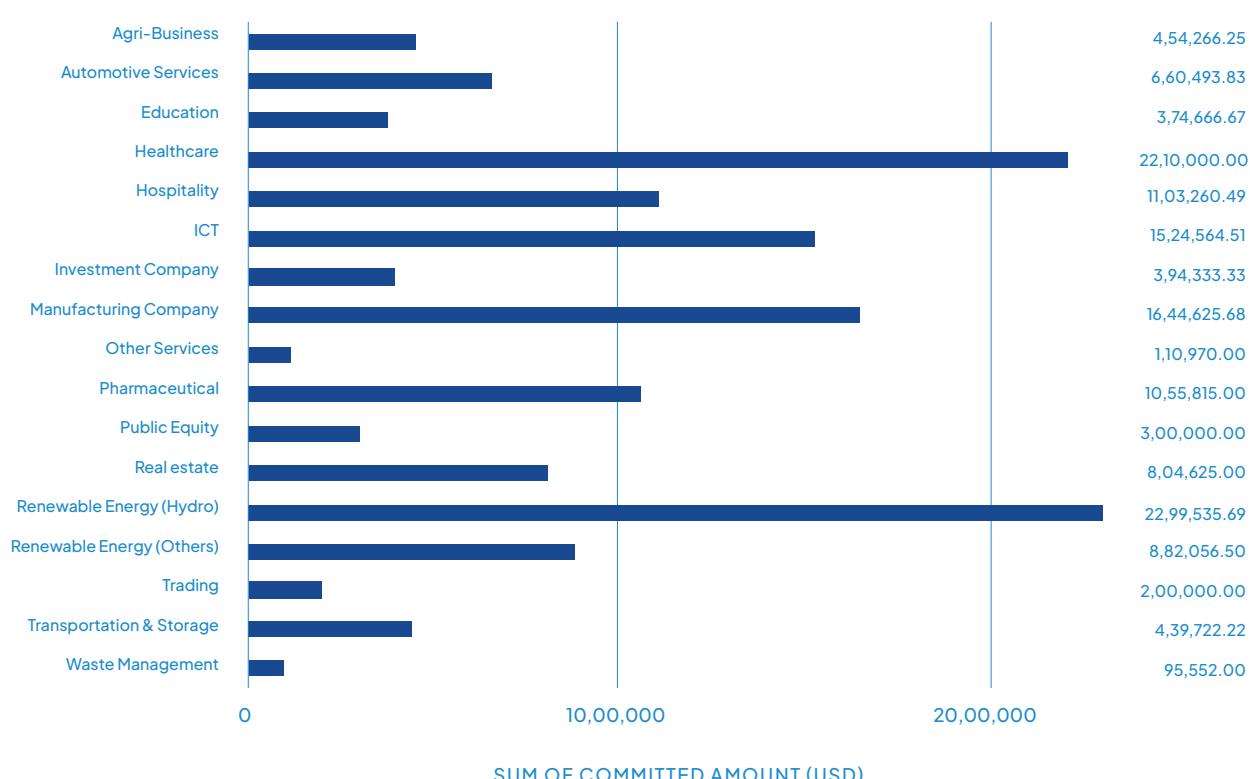
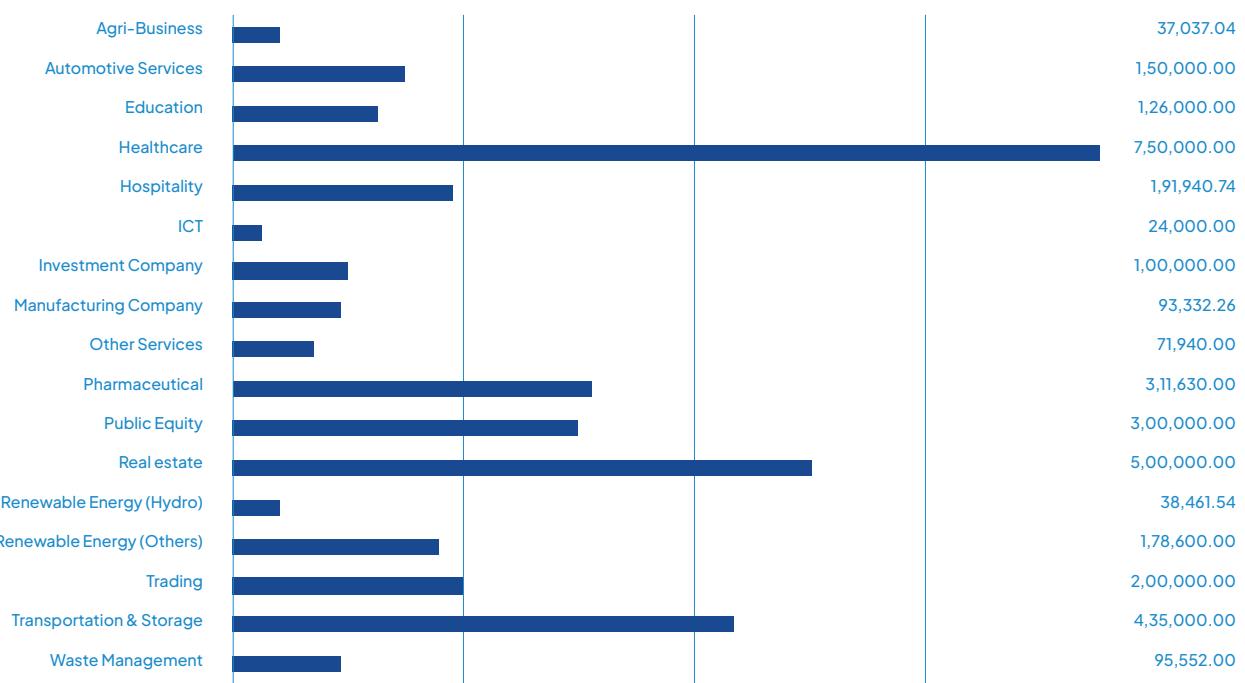
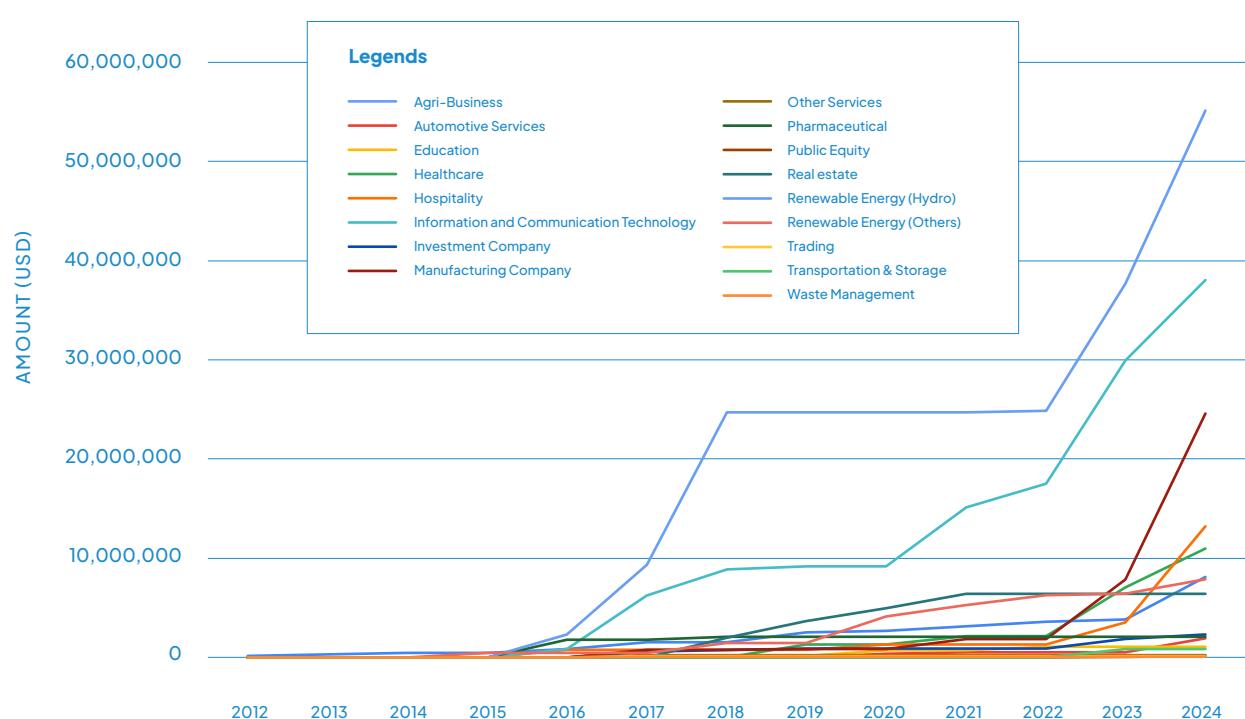


Figure 11: Smallest amount of investment made in various sectors by PEVC Funds between 2012 to 2024



SUM OF COMMITTED AMOUNT (USD)

Figure 12: Industry-wise Year-over-Year Investments (Cumulative)



Sector-Specific Analysis

SECTOR WISE INVESTMENT FROM 2012 TO 2024

Figure 13: Sector wise investment from 2012 to 2024

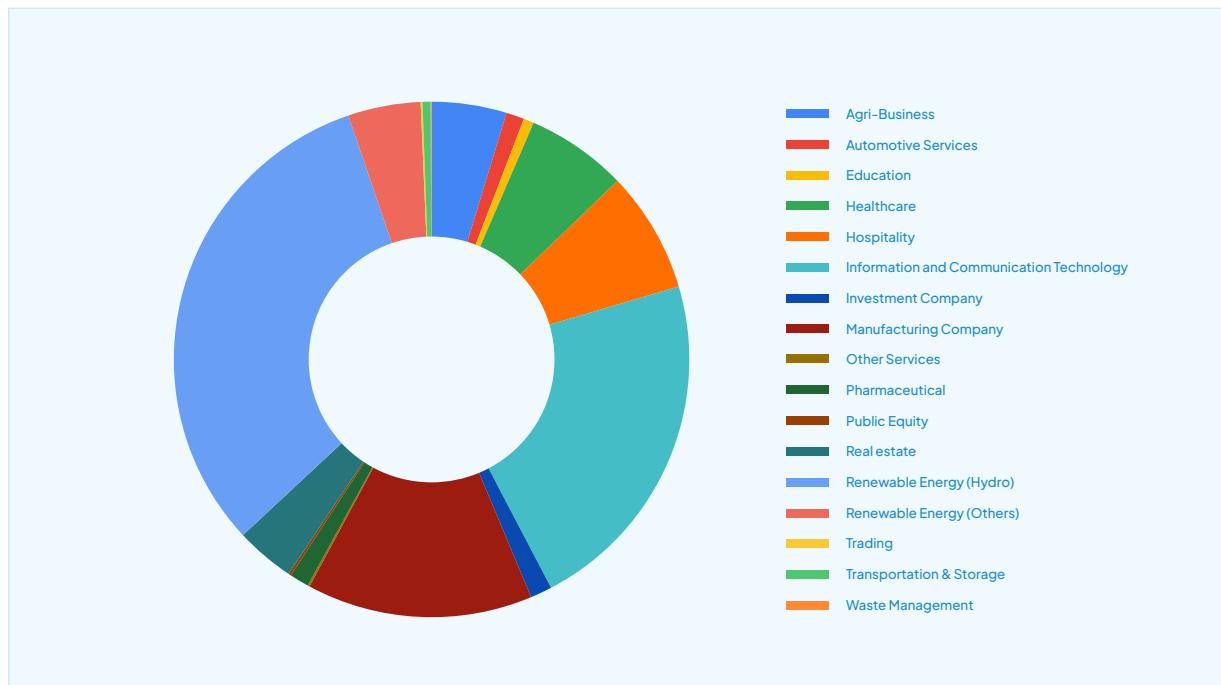


Figure 14: Sector wise investment from 2012 to 2024

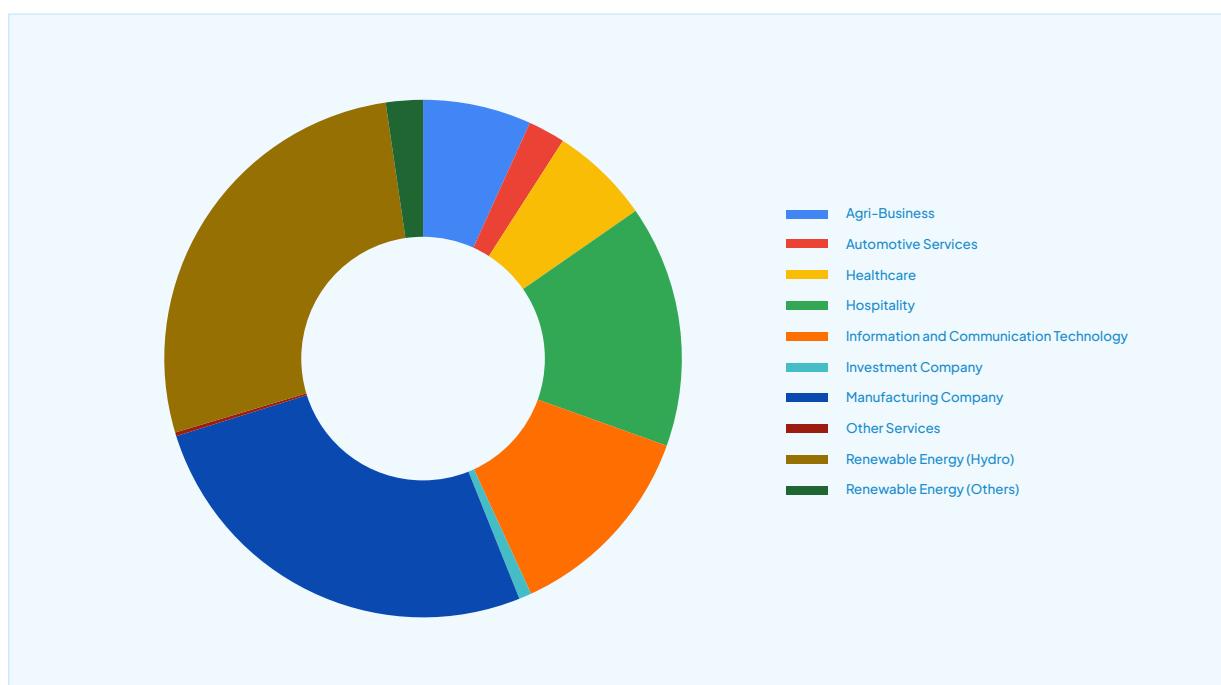


Figure 15: Exits throughout the years

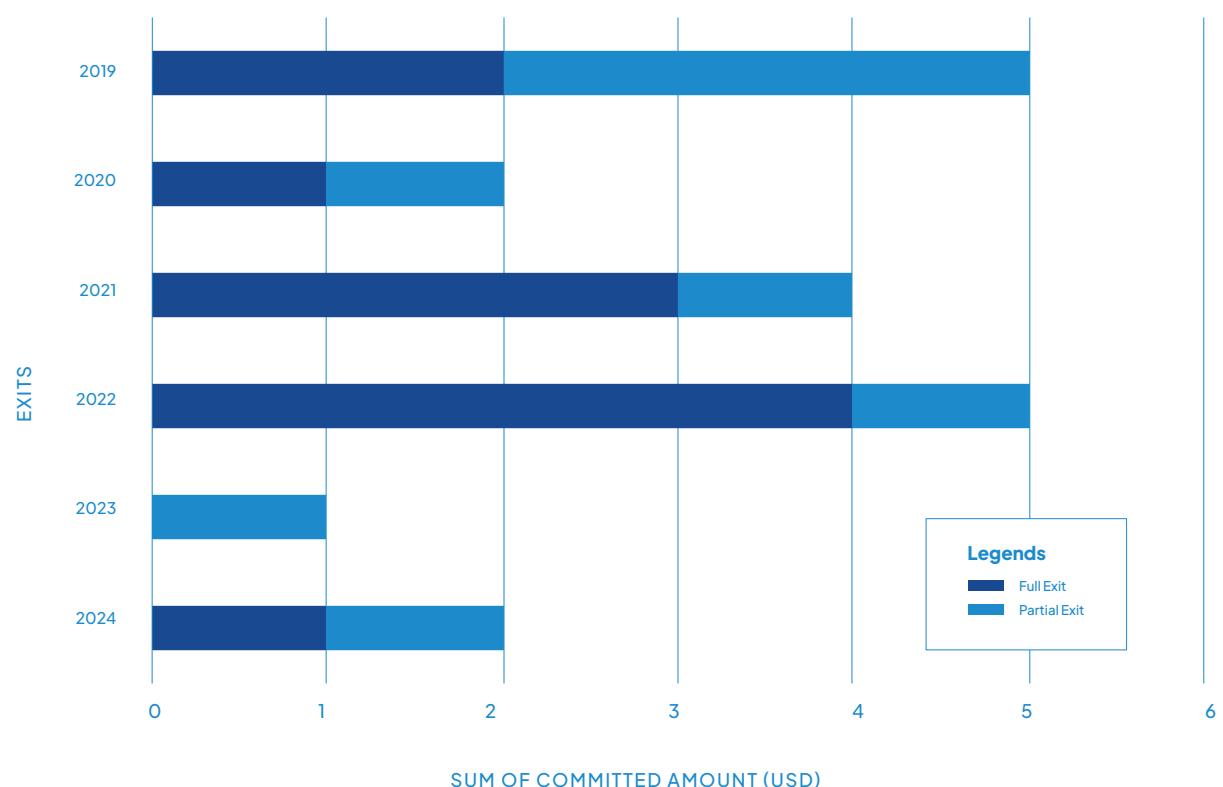
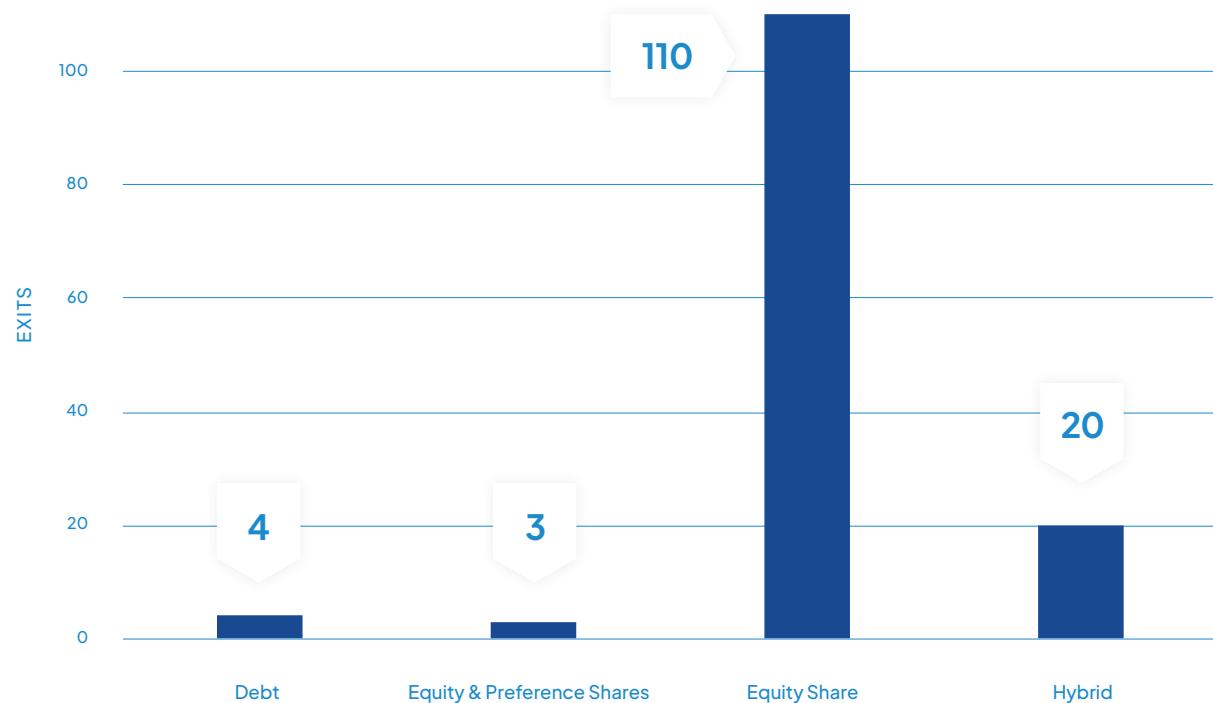


Table 5: Total Exits in Nepal's PEVC Market (2019–2024)

Exit Status	No. of Investments
Full Exit	11
Not Yet	118
Partial Exit	8
Grand Total	137

Figure 16: Type of Instruments Used



FEATURED CASE STUDY

Rara Digi Labs

What motivated the 2016 pivot from nLocate to Rara Labs? How was this strategic shift executed?

It was a very simple decision to make in 2016, nLocate did not grow as expected. nLocate wanted to run on an advertisement based business model where a minimal escape-velocity is required to earn even the first Rupee. The PE/VC ecosystem back then were not mature and we did not have a very long runway to survive without revenue. The moment we were sure that we would not survive without the pivot, we did the pivot to Rara Labs.

During the shift, we had to let go of most of our employees who were recruited for building the product. It was a difficult endeavor, but we discussed with everyone,

one-on-one and explained the position the company was in. Since we were transparent, they understood and we also helped them in getting the new jobs. After that, it was about the limited team, doing everything in their capacity to bring in work, whatever shape and size it was in, which pays month-over-month with real-money, to bring in the revenue.

Which product or initiative do you consider a turning point for Rara Labs, and how did it contribute to shaping your long-term vision and positioning in Nepal's tech ecosystem?

After pivoting to Rara Labs, the initial 2 years were just for building the capital-base of the company and accumulating the confidence to again invest in products. Products for us were the best value creators, for us and our shareholders. At the beginning of 2018, we started working on a data processing engine, especially catering to the



Manoj Ghimire
Chief Executive Officer (CEO)

financial data and also found a use case for it in automated financial transaction reconciliation.

This was interesting in multiple ways. First, we as founders were not very aware of financial technology before that, we came from the CyberSecurity domain. This gave us the first hand experience of working on financial technology, the thrill it had and the sheer amount of problems that were waiting to be solved. The financial data processing engine, eventually sold in the market as Gokyo Reconciler brought our team to fintech, got us interested, showed us the opportunities and led us to build more products in the domain later on.

Avasar Equity invested in Rara Labs in 2024. What were your priorities going into this partnership, and how has their support shaped your company's growth trajectory so far?

We from Rara Labs are very thankful for the investment from Avasar for the trust and sharing our vision for the future. In 2024, having launched 3 different product companies namely, Gokyo Reconciler in 2019, Tigg in 2020 and Myra in 2022, we were in a situation where we saw the market

being ready and available with a proper product-market-fit, but our internal resources were very limited to aggressively increase the market-share. We were in need of resources to invest in pre-sales / sales as well as we needed an estab

Looking ahead, how does Rara Labs plan to build on this momentum of pioneering Nepal's data economy in the next phase of its growth journey?

Looking ahead, we see the biggest value creation for us would be in breaking the data-silos, enabling the organizations to share data with granular control with the selected counterparts for automation and increase of their own internal efficiency. We

see the ecosystem working as a peer-to-peer

network, capable of connecting with each other and sharing data with consent through an state-of-the-art communication channel which is secure, available and democratic. This will wipe out all the in-efficiencies in our ecosystem, bring most of the things to automation and create tremendous value to our customers.

What's one decision you're most proud of and one you would've done differently in your 10-year journey?

I, with my team, we all are really proud of our decision to stick to products, even after a disastrous failure of nLocate.

We could have been more wise during team building and recruitment. There are a lot of things we think could have been done differently, if we had the instincts and insights we have now, about the business.

Participating Data Contributors

- 1. Aadhyanta Fund Management
- 2. Alpha Plus Vision Fund
- 3. Avasar Equity Diversified Fund
- 4. Business Oxygen
- 5. Dolma Impact Fund-I
- 6. Dolma Impact Fund-II
- 7. Nepal Infrastructures Investment Fund
- 8. NIBL Equity Partners
- 9. One to Watch
- 10. OTW ORE Fund
- 11. Prabhu Dynamic Private Equity Fund-1
- 12. Reliable Venture Capital Limited
- 13. Team Ventures Pvt. Ltd
- 14. True North Associates



ACKNOWLEDGEMENTS

We sincerely thank all the private equity and venture capital firms that shared their data and insights for this report. Our appreciation also goes to Mr. Bibek Shrestha and Mr. Deep Karki from the Invest for Impact Nepal team for their valuable input. We would also like to acknowledge former manager Ms. Sabrina Adhikari and former program associate Mr. Aklesh Nemkul for their significant contributions to this report.

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