

India becomes third largest startup ecosystem in the world



Over the last year, India has added three unicorns every month taking the total count to 51, ahead of the UK and Germany. (Representative image)

NEW DELHI: India has emerged as the third largest startup ecosystem in the world after the US and China and the pace of growth is not showing any signs of slowing down.

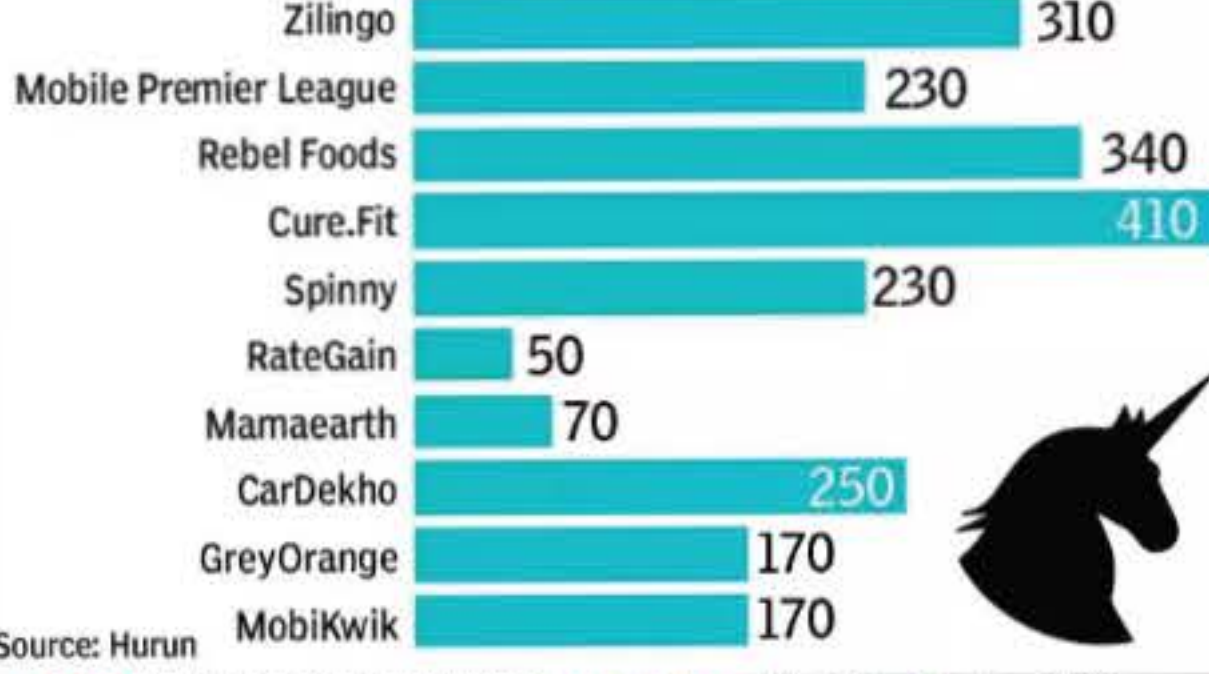
Over the last year, India has added three unicorns every month taking the total count to 51, ahead of the UK (32) and Germany (18). A privately held startup company valued at over \$1 billion is called a unicorn.

The US tops the list with 396 unicorns, while China is at the second spot with 277, showed data from Hurun Research Institute. India's unicorns are currently worth \$168 billion, more than the GDP of Telangana at current prices.

Apart from unicorns, however, the number of future unicorns called "gazelles" and "cheetahs" in India is growing at an exponential pace, said Anas Rahman Junaid, MD and chief researcher at Hurun India.

GAZELLES, CHEETAHS ON PROWL

Top 10 future unicorns - Funding (\$ mn)



Source: Hurun



"Gazelle" is a startup founded after 2000 with the potential to go unicorn in two years, while "cheetah" may go unicorn in the next four years. Gazelles have an estimated valuation ranging from \$500 million to \$1 billion and the valuation of cheetahs range from \$200 million to \$500 million.

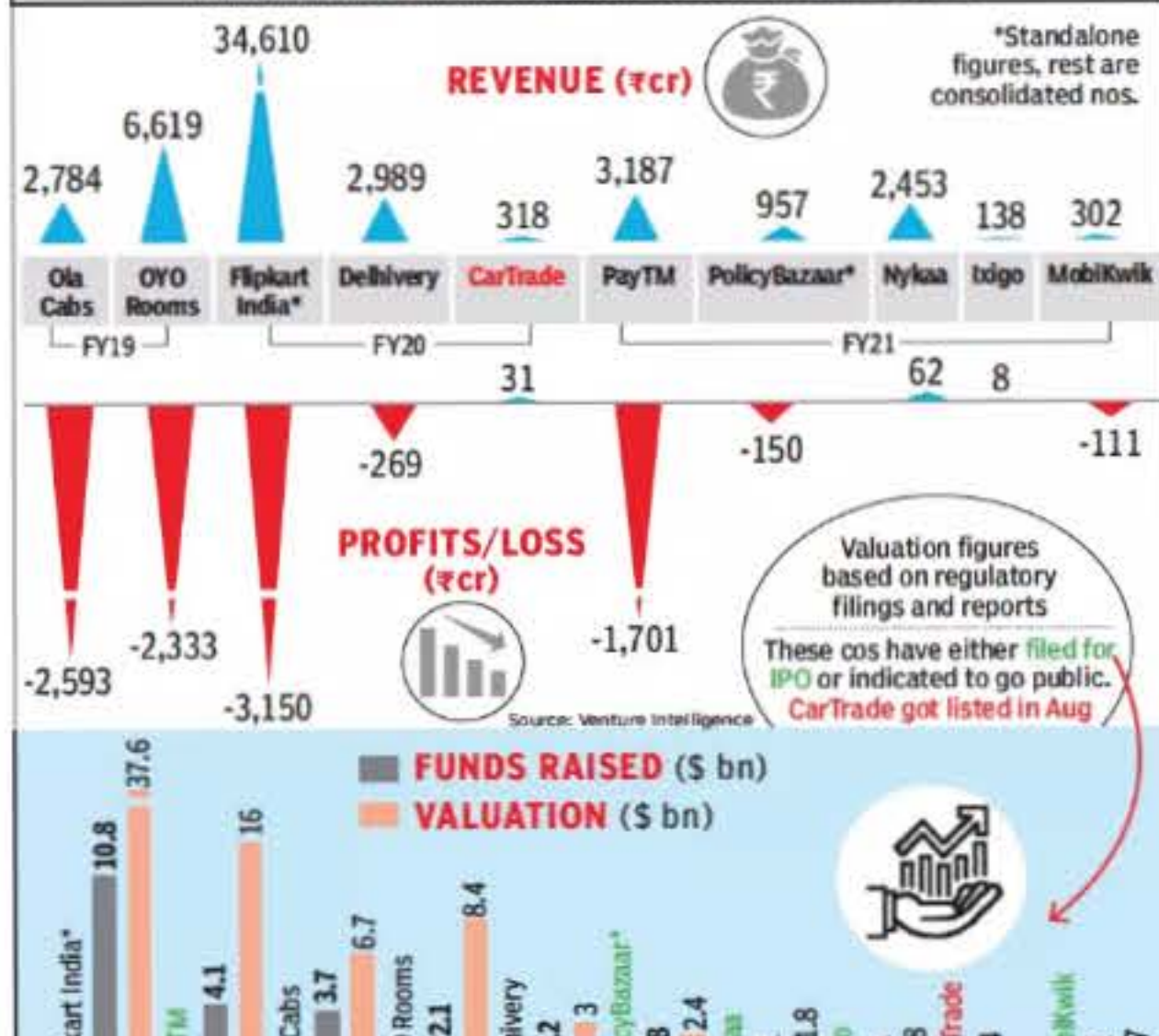
"Preparing the Hurun India Future Unicorn List 2021 has been one of the most daunting tasks, primarily due to the positive hyperactivity in Indian start-up ecosystems," said Junaid. "For instance, five start-ups that we had as cheetahs at the beginning of our research, jumped straight to unicorn valuations."

STARTUPS TAP IPO FRENZY

Digitisation and tech adoption have become mainstream as we emerge from the pandemic, giving Indian tech startups an impetus to tap public markets. After the warm welcome that Zomato got from D-St, a slew of unicorns are getting ready for listing this year



THE FINANCIAL HEALTH OF INDIAN STARTUPS HEADED FOR IPO



Online retail store Zilingo is the most valuable Gazelle and digital furniture platform Pepperfry is the most valuable Cheetah. Mobile Premier League (MPL), Rebel Foods, Cure.fit, Spinny and Mamaearth are among a long list of future unicorns that are worth \$36 billion, equivalent to one third of Delhi's GDP at current prices.

The top investors in the gazelles and cheetahs are Sequoia followed by Tiger Global with 37 and 18 investments respectively. E-commerce, fintech and SaaS comprise 49% of the future unicorn list.

Entrepreneurs who feature in Hurun India Rich List have invested in the gazelles and cheetahs, showed the data. CRED founder Kunal Shah tops the list with nine start-up investments followed by Binny Bansal with five and Ratan Tata with four. Infosys co-founders Nandan Nilekani (3), NR Narayana Murthy (2) and Kris Gopalakrishnan (1) have also invested into start-ups in the list.

With 31 start-ups, Bengaluru is the start-up capital of India followed by Delhi NCR (18) and Mumbai (13). Bengaluru is the home to 11 gazelles and 20 cheetahs, with a cumulative valuation of \$12.4 billion. The top three cities headquarters 68% of these companies.