

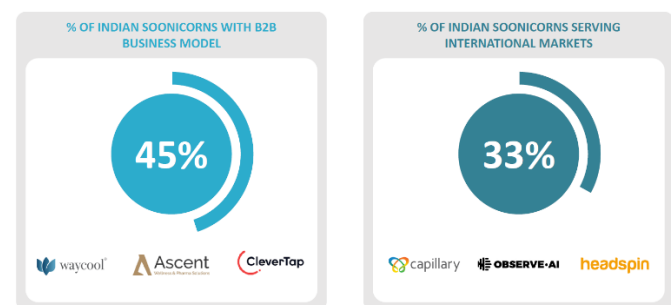
Unicorns of Tomorrow: Exploring India's Soonicorns - The Next Wave of Tech Disruptors

India, with its 90 unicornsⁱ and a combined valuation of USD 260+ Bn, stands as the third-largest unicorn hub globally. Despite a slowdown in 2023 due to the global recession, the Indian startup landscape demonstrated a strong 40% CAGRⁱⁱ in unicorn additions from 2018 to 2022, showcasing its resilience and innovation potential before the economic downturn. While the presence of unicorns reflects India's strong position in the global tech arena, the growing pipeline of soon-to-be unicorns or soonicornsⁱⁱⁱ strongly advocates the country's potential for continued growth and innovation. **India is home to 190+ soonicorns currently, which have combined funding of USD 20+ Bn.** Over the past five years, these soonicorns have shown 2X growth, highlighting the unprecedented growth of the Indian startup ecosystem. In the year 2023 alone, 19 new startups made it to the soonicorn list, underlining the fact that India's startup ecosystem is brimming with possibilities.

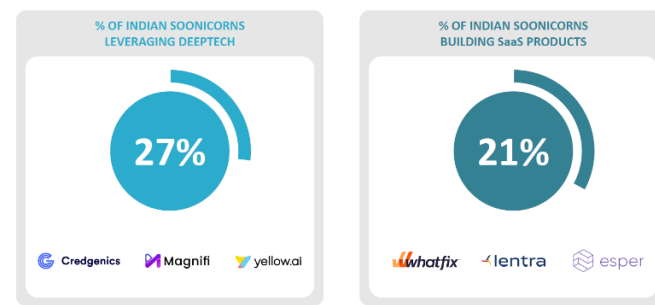
These soonicorns span across a diverse array of sectors, reflecting India's adaptability and its capacity to foster technological advancements across various industries. BFSI^{iv} (46 soonicorns), Retail and Retail Tech (19 soonicorns), Enterprise Tech (15 soonicorns), and Supply Chain Management and Logistics (14 soonicorns) have the highest number of soonicorns. In addition, with startups like Log9 Materials using advanced graphene-based technology to create efficient and sustainable battery packs for energy storage and SigTuple, which provides AI-based healthcare diagnostic solutions, achieving soonicorn status this year, the Industrial and Manufacturing and HealthTech sectors, respectively have become new entrants to the 2023 soonicorn list.

Amidst the technology revolution, India's soonicorns are driving transformative change. Approximately 1 out of 3 soonicorns leverage DeepTech technologies such as Artificial Intelligence, Machine Learning, Blockchain, and Computer Vision to significantly enhance the value for their customers. Among this pool of DeepTech soonicorns, 80% of soonicorns are at the forefront of embracing the transformative potential of Artificial Intelligence to pioneer groundbreaking solutions, underscoring its growing significance in driving business value and innovation. Moreover, as the world transitions into the era of Generative AI, these companies actively contribute to this global AI revolution by offering innovative solutions across diverse use cases. A leading example here is of Yellow.ai, which has integrated generative AI technology to help businesses create user-friendly and efficient chatbots in 100+ languages.

Indian Soonicorns building B2B businesses and serving global markets



Indian Soonicorns building cutting-edge DeepTech and SaaS solutions



These soonicorns are extending their reach beyond borders by crafting innovative solutions for global markets. Approximately 35% of Indian soonicorns are building for the world and serving international markets. Few examples here are:

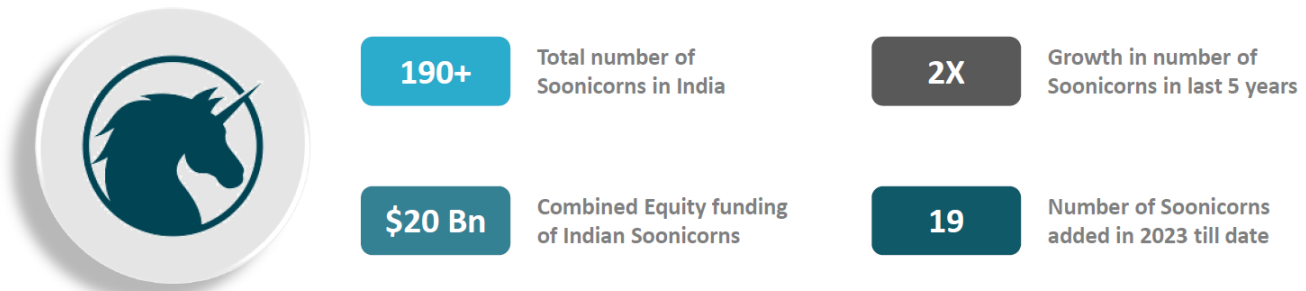
- Qure.ai, a HealthTech startup, addresses diagnostic challenges through AI-driven radiology solutions, enhancing medical accuracy and accessibility, and has impacted 10Mn+ lives annually in 1800+ health centres across 80+ countries.
- Capillary Technologies, an enterprise-level SaaS technology provider that helps businesses improve customer engagement, loyalty, and overall business performance, has expanded to 30+ countries.

This advantage in serving global markets is attributed to India’s abundant skilled talent pool and competitive cost structures. With 32% of STEM graduates worldwide, the country has a strong talent pool. This, coupled with cost-effectiveness, offers a winning combination for businesses seeking global expansion. Additionally, India's strong focus on technological innovation and ability to adapt quickly to evolving market demands further strengthens its position as a reliable global market-serving hub.

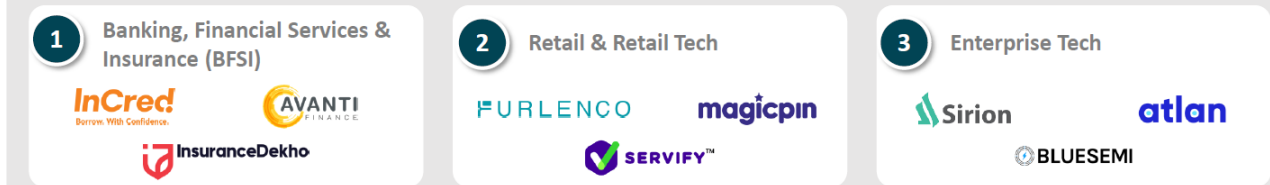
While the Indian startup landscape continues to witness a significant surge in soonicorns, the time taken for startups, since their inception, to become a unicorn has shortened significantly as the average age to reach unicorn status till 2010 was 12 years which has now almost halved to 6 years in 2023. With an estimate that India will have 250 unicorns by 2025, the trajectory clearly signifies that these soonicorns will emerge victorious in establishing global dominance for Indian startups in the tech landscape.

If you are a Japanese corporation or startup interested in exploring India's dynamic startup ecosystem and its possibilities, please reach out to us at INL@jetro.go.jp

India's Soonicorns: The Unicorns of Tomorrow



TOP 3 SECTORS BY NUMBER OF SOONICORNS



Note: A Soonicorn is a company that has received funding of USD 50 Mn or more
Source: JETRO x Zinnov Analysis

Authors:

Akanshi Sharma, Consultant, Zinnov
 Sa’ad Kaleem Shaikh, Engagement Manager, Zinnov
 Yuna Natsumi, Director, JETRO Bengaluru
 Mioka Iwai, Assistant Director, JETRO Bengaluru

ⁱ A unicorn company is any private company valued at USD 1 Billion or more and is venture capital funded.

ⁱⁱ CAGR refers to the Compound annual growth rate.

ⁱⁱⁱ A soonicorn is a company that has received funding of USD 50 Mn or more.

^{iv} BFSI refers to Banking, Financial Services, and Insurance.