

What is a Unicorn startup?

June 2, 2022

In news- India has reached a landmark figure of 100 unicorns with a valuation of more than \$300 billion.

What is a unicorn startup?

- Unicorns are privately held, venture-capital backed startups that have **reached a value of \$1 billion**.
- The valuation of unicorns is not expressly linked to their current financial performance, but largely based on their growth potential as perceived by investors and venture capitalists who have taken part in various funding rounds.
- American venture capitalist Aileen Lee coined the term in 2013.
- According to Invest India, the government's National Investment Promotion and Facilitation Agency, the years 2021, 2020, and 2019 saw the birth of the maximum number of Indian unicorns with 44, 11, and 7 unicorns coming each year, respectively.
- **India ranks third** in overall unicorns created, with the **United States in first position, followed by China**.
- India is gradually transitioning from the age of unicorns to the age of decacorns.
- A **decacorn** is a company that has attained a **valuation of more than USD10 billion**.
- As of May 2022, 47 companies world over have achieved the decacorn status out of which India has four startups namely, **Flipkart, BYJU's, Nykaa and Swiggy**.