

A photograph of several purple crocus flowers growing out of a layer of white snow. The background is a clear blue sky with a bright sun in the upper center, creating a lens flare effect. The flowers are in various stages of bloom, with some showing their yellow centers.

# Start-up Perspectives

India start-up deals tracker CY22

# 01

## Executive summary

Dear readers,

What a year it has been for the Indian start-up ecosystem! We started 2022 (CY22) with cautious optimism, seeing consistent trends of USD 10 billion-a-quarter funding into Indian start-ups as well as the onset of the falling tech stock valuations globally. With economic uncertainties, funding slowdown, and increased focus on governance and profitability, we saw significant shifts in how start-ups went about doing their business during CY22. Most Indian start-ups were quick to respond to these uncertainties by increasing scrutiny on returns on investments (ROIs) on branding and marketing spends, tightening operating models and optimising cash runway by deferring discretionary spends and investments.

Due to falling global public market tech company valuations, there was an expected decline in late-stage start-up deals as well as a negative impact on growth-stage deals in India. However, the overall Indian start-up ecosystem continued to grow with continuing investments at early stages. This segment saw funding growth of nearly 12% in CY22 as compared to CY21. As of December 2022, there were more than 1,800 funded start-ups in India – a base that has consistently grown during CY22. With continuing tech-led innovations, supported by the improving technological infrastructure in India, rising incomes and aspirations of Indian people, and significant venture capital dry powder waiting to be invested, CY23 has started off with renewed optimism for start-ups and investors.

This edition of our quarterly India start-up deals tracker contains our ongoing analysis of funding trends as well as some year-end special features. We have analysed the 1,800+ funded start-ups in India as well as the Indian start-up unicorns as on 31 December 2022. We hope you find our results to be insightful and useful.

Wish you a very happy and prosperous 2023!

Regards,

**Amit Nawka**

Start-ups Leader and Partner, Deals

PwC India



**~USD 24 billion raised by Indian start-ups in CY22**



**Average ticket size per deal in CY22 was USD 23 million**



**SaaS, FinTech, Logi and AutoTech, EdTech and D2C are the top five invested sectors in CY22**



**1,021 funding rounds closed in CY22**



**Growth- and late-stage deals comprise ~88% of the total funding**

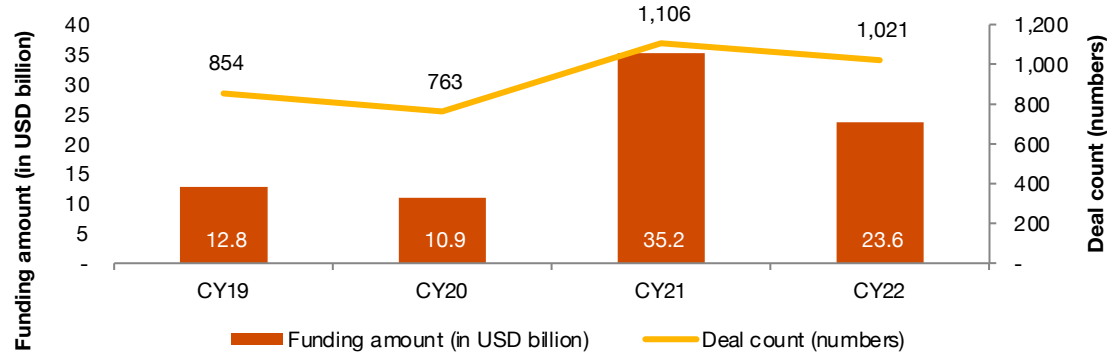


**21 start-ups attained unicorn status in CY22 as compared to 42 in CY21**

# 02

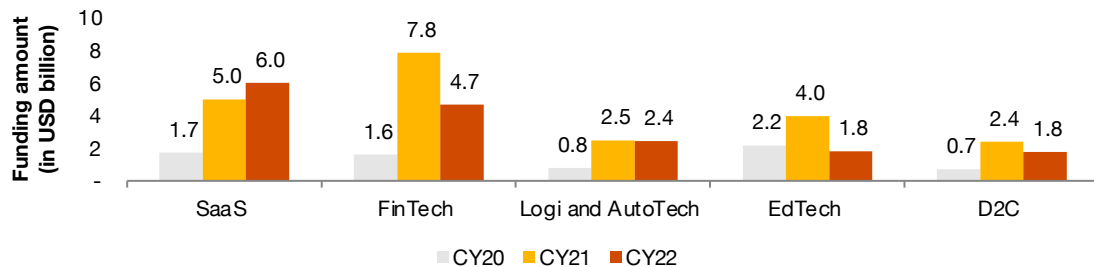
Nearly USD 24 billion raised by Indian start-ups in CY22 – a drop of 33% as compared to CY21 (~USD 35 billion) – but still more than twice the funds raised in CY20 (~USD 10.9 billion) and CY19 (~USD 12.8 billion)

## Funding and deal count



Source: Venture Intelligence

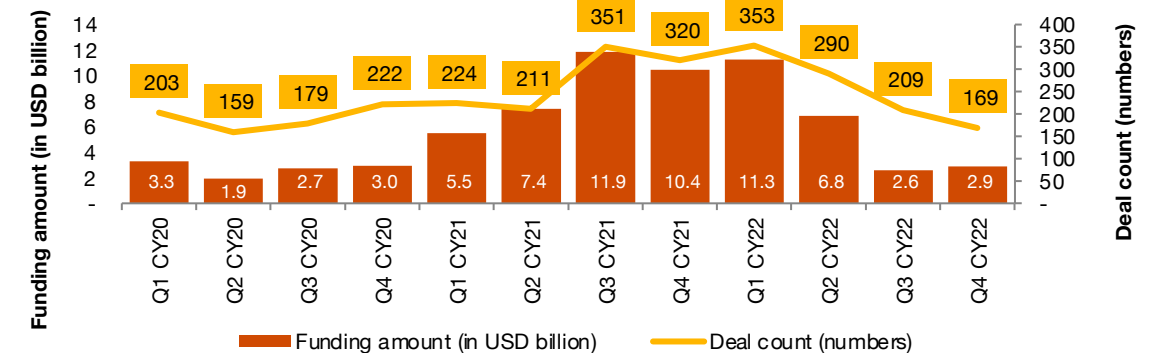
## Top five\* sectors (funding trends)



Source: Venture Intelligence

\*Based on funding in CY22

## Funding and deal count



Source: Venture Intelligence

- There was a decline in the total funds raised in CY22 (USD 24 billion) of ~33% as compared to CY21 (USD 35 billion). However, the decline in the number of start-ups raising funds was lower, at nearly 8% (1,106 start-ups raised capital in CY21 versus 1,021 in CY22). Consequently, the average deal ticket size reduced from USD 32 million in CY21 to USD 23 million in CY22 (refer to subsequent pages for details).
- The top five sectors that attracted funding were software as a service (SaaS), FinTech, Logi and AutoTech, EdTech and direct to consumer (D2C), contributing approximately 71% of the total funding in CY22 in value terms. Funding in SaaS start-ups grew by 20% in CY22 versus CY21, making it the most-funded sector of CY22.



# 03

Apart from SaaS, the media and entertainment sector also showed growth in funding activity during CY22. The steepest decline in funding during CY22 was witnessed in e-commerce business to consumer (B2C) at 71% and EdTech at 54%.

	Funding value (in USD million)			Deal count (numbers)	
	CY21	CY22		CY21	CY22
SaaS	5,005	5,995		329	330
FinTech	7,840	4,679		198	186
Logi and AutoTech	2,488	2,436		54	63
EdTech	3,953	1,828		88	52
D2C	2,408	1,780		133	114
Media and entertainment	1,521	1,608		35	36
E-commerce B2B	3,024	1,259		63	65
HealthTech	2,262	1,137		81	62
E-commerce B2C	2,641	1,044		63	43
FoodTech	1,847	721		8	10
Real estate Tech	552	551		24	20
Online gaming	1,658	472		24	22
Others	8	113		6	18

## Funding insights into key sectors

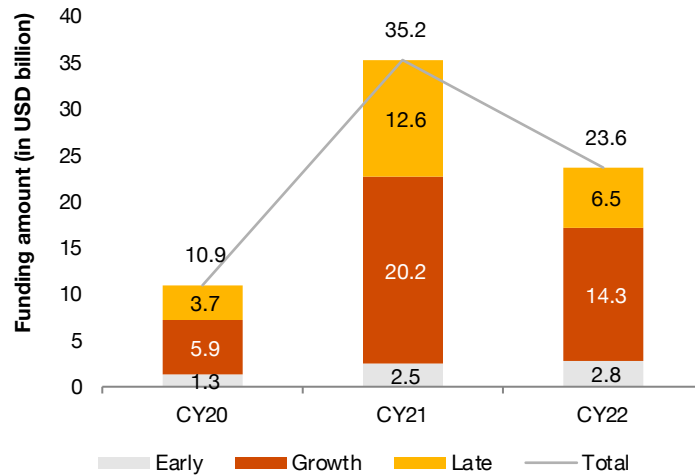
- **SaaS contributed ~25% of the total funding activity during CY22**, witnessing an increase of 20% in funding values during CY22 compared to CY21. Average ticket size of deals increased from USD 15 million in CY21 to USD 18 million in CY22, driven by 14 companies raising an excess of USD 100 million during CY22. In terms of deal count, 65% of the deals in this space were driven by early-stage funding rounds, with an average ticket size of USD 4 million in CY22. Six companies attained the unicorn status in CY22 as compared to eight companies in CY21.
- **The FinTech sector contributed ~20% of the total funding in CY22**, with a decline of 40% in the funding activity compared to CY21. There have been 11 companies that raised more than USD 100 million each during CY22 compared to 18 such companies in CY21. Only four companies attained unicorn status in CY22 when compared to nine companies in CY21.
- **Logi and AutoTech:** Seven companies have raised more than USD 100 million each in CY22 in this sector. Approximately 49% of the deals (in terms of deal count) in this space were driven by early-stage funding rounds, with an average ticket size of USD 4 million in CY22.
- **EdTech** funding declined by 54% in CY22 compared to CY21 in value terms. In CY22, 50% of the funding was contributed by BYJU'S, which reportedly raised USD 915 million, followed by upGrad at USD 225 million.
- **D2C** funding declined by 26% and 14% in value terms. Four companies raised more than USD 100 million each during CY22.
- **Media and entertainment** showed an increase in the funding activity by 6% during CY22 compared to CY21. Dailyhunt raised nearly USD 890 million in CY22 which contributed to 55% of the funding in this sector during the year.
- **E-commerce business-to-business (B2B)** showed a decline in funding activity. Ten companies raised more than USD 100 million in CY21 compared to three in CY22. Udaan raised USD 345 million, followed by Moglix which raised USD 250 million during CY22.
- **E-commerce B2C:** Declining trends in funding activity were noted in this sector in CY22. Eight companies raised more than USD 100 million in CY21 compared to three companies in CY22. DealShare and Zepto raised more than USD 200 million each during CY22.

Source: Venture Intelligence

# 04

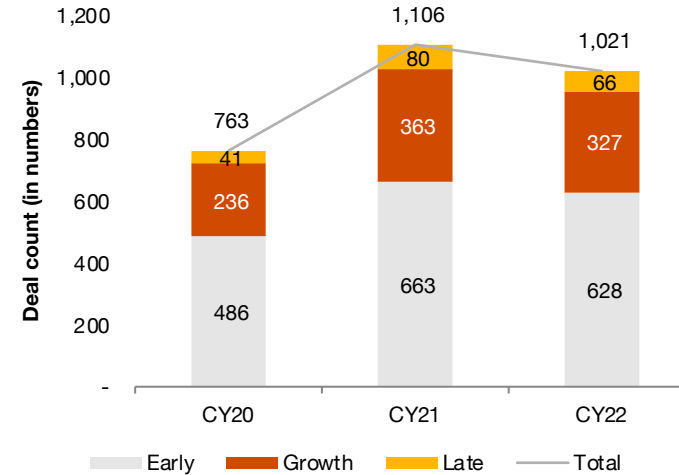
Despite a decline in overall funding in CY22, funding into early-stage deals grew by nearly 12%, with an average ticket size of approximately USD 4 million. A decline of 52% in funding of late-stage deals was also witnessed in CY22.

Funding (by stage)



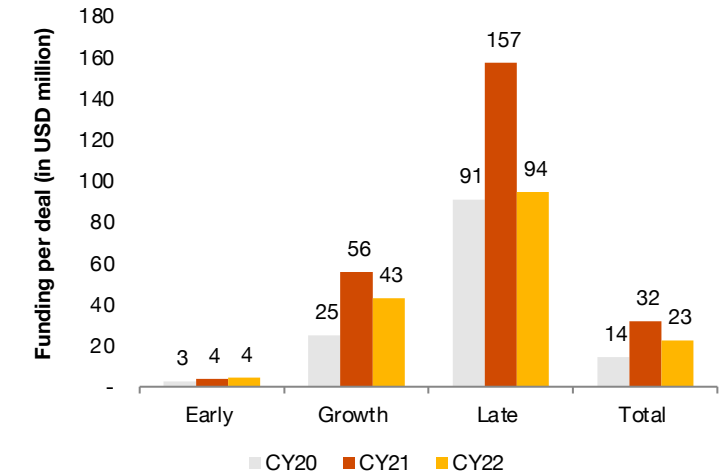
Source: Venture Intelligence

Deal count (by stage)



Source: Venture Intelligence

Average ticket size per deal



Source: Venture Intelligence

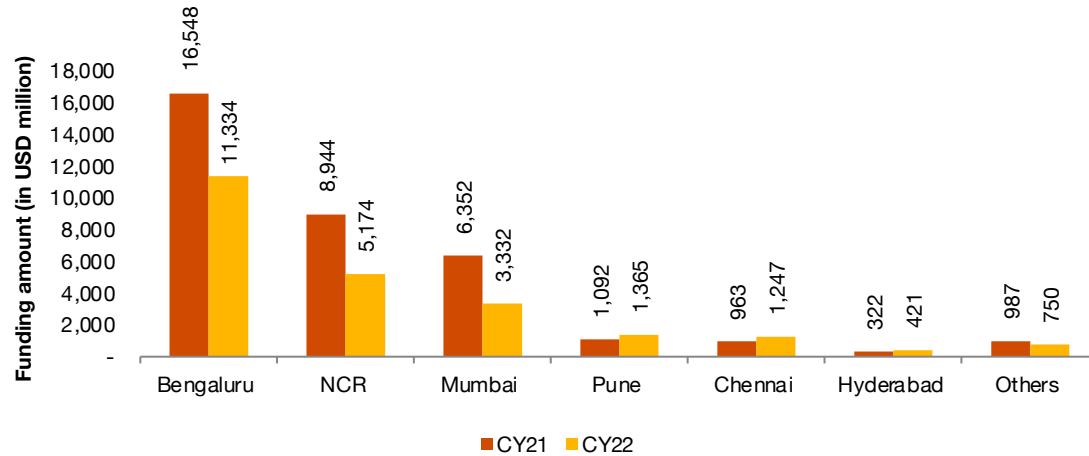
- Early-stage deals accounted for 60–62% of the total funding in CY21 and CY22 (in volume terms). Average ticket size per deal was USD 4 million per deal. In value terms, early-stage deals contributed to approximately 12% of the total funding in CY22 compared to nearly 7% in CY21.

- Growth - and late-stage funding deals accounted for 88% of the funding activity in CY22 (in value terms). These represented 38% of the total count of deals. Average ticket size in growth-stage deals was USD 43 million and late-stage deals was USD 94 million during CY22.

# 05

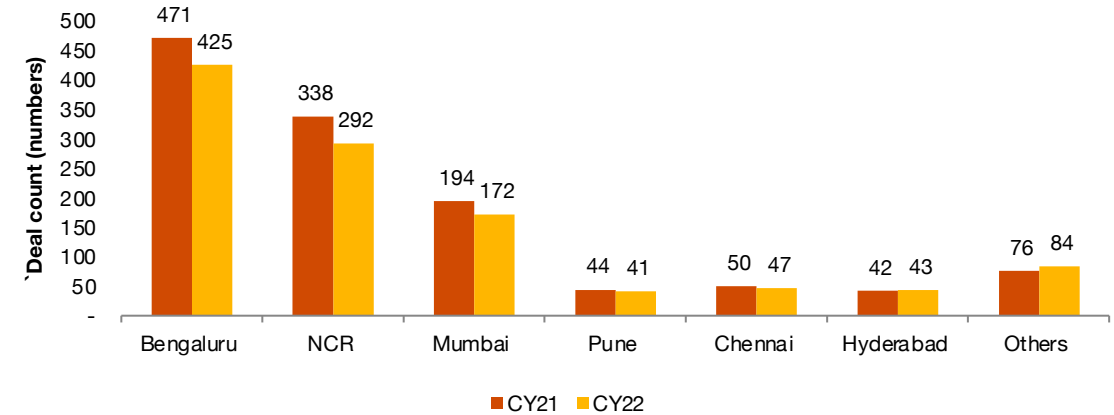
City-wise trends – Bengaluru, NCR and Mumbai continue to be the key start-up cities in India, representing around 88% of the total start-up funding activity in CY22

City wise trends – funding



Source: Venture Intelligence

City wise trends – deal count



Source: Venture Intelligence

## Bengaluru:

More than USD 100 million was raised by 25 companies each in CY22. Few of these include BYJU'S, Dailyhunt, Swiggy, Udaan, Table Space, ShareChat, Dunzo and Ather Energy.

## NCR:

15 companies such as Delhivery, Stashfin, Moglix, Pine Labs, Lenskart, Oxyzo Financial Services and HealthKart have raised more than USD 100 million each in CY22.

## Mumbai:

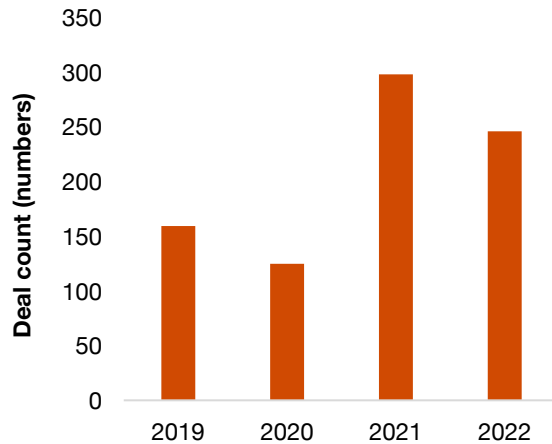
More than USD 100 million was raised by eight companies each in CY22. These include Fractal, upGrad, Zepto, CoinDCX, Turtlemint, CleverTap, LEAD School and FanCraze.

# 06

246 M&A deals involving start-ups were executed in CY22. Of these, nearly 200 were domestic transactions and the rest were cross-border transactions. SaaS, e-commerce and D2C attracted the highest number of M&A transactions during CY22.

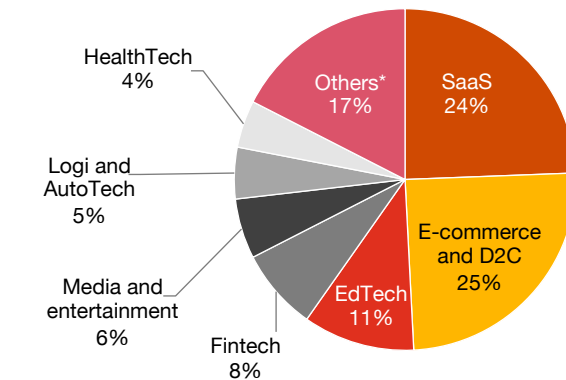
- A 17% decline was witnessed in the M&A deals during CY22 compared to CY21 in terms of deal volume, with 60% of the transactions being contributed by the top three sectors – SaaS, e-commerce and D2C and EdTech.
- E-commerce and D2C (61) and SaaS (60) witnessed the highest number of M&A transactions during CY22.
- CY22 witnessed 199 domestic, 21 inbound and 26 outbound deals.
- Similar to venture capital (VC) funding, Mumbai, Bengaluru and NCR are the top cities for M&A transactions, followed by Pune. These four cities contributed to 70% of the M&A deals during CY22.

## M&A deal count



Source: Venture Intelligence

## Sector split of deal count in CY22



\*Including FoodTech, Real estate Tech and online gaming

Source: Venture Intelligence

## A few notable acquisitions in CY22 by deal value

Target	Acquirer	Sector
MindTree Consulting	L&T Infotech	SaaS
Blinkit	Zomato	D2C and e-commerce B2C
Owndays	Lenskart	D2C and e-commerce B2C
Pickrr	Shiprocket	Logi and AutoTech
Enaltec Labs	La Renon	HealthTech
Addverb	Reliance Retail Ventures	SaaS
Clovio	Reliance Retail Ventures	D2C and e-commerce B2C
Dineout	Swiggy	Others

Source: Venture Intelligence

07

21 start-ups attained unicorn status in CY22.  
As of 31 December 2022, SaaS continues to lead with the most number of unicorns at 20, followed by FinTech at 16.

Active unicorn count	Before CY18	CY18	CY19	CY20	CY21	CY22	As of Dec 2022
SaaS	2	-	2	2	8	6	20
FinTech	-	-	-	3	9	4	16
Logi and AutoTech	1	-	2	-	1	3	7
EdTech	-	1	-	1	3	2	7
D2C	-	-	1	-	6	1	7
E-commerce B2C	-	-	-	1	4	1	6
E-commerce B2B	-	1	-	-	4	-	5
Media and entertainment	1	-	-	2	1	1	5
HealthTech	-	-	-	-	3	1	4
Real estate Tech	-	1	-	-	1	1	3
Online gaming	-	-	1	-	1	1	3
FoodTech	-	1	-	-	1	-	2
<b>Total</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>9</b>	<b>42</b>	<b>21</b>	<b>85</b>

Source: Venture Intelligence

**Note:**

Several reports peg the total count of unicorns at 106 as of 31 December 2022. In the table alongside, we provide a reconciliation between the count of 106 and 85 considered in the table above.

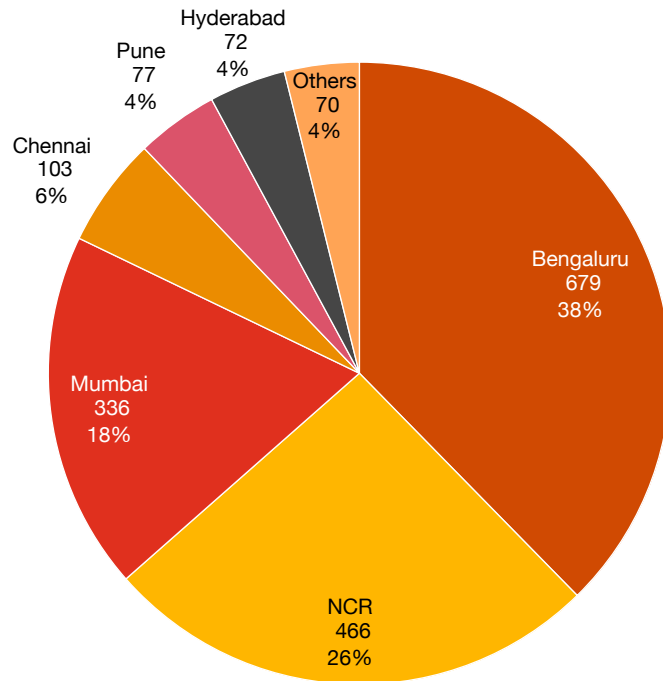
Total number of unicorns as of 31 December 2022	106
Acquired	(4)
Listed	(10)
Fall in valuation	(5)
Start-ups not reported to have raised external institutional funding before reaching unicorn status	(2)
<b>Active unicorns as of 31 December 2022</b>	<b>85</b>



08

Bengaluru, NCR and Mumbai account for nearly 82% of total Indian start-ups as of December 2022. 28% of the start-ups in the top three cities have raised in excess of USD 20 million.

1,803 start-ups raised funds over the last four CYs. The top three cities (Bengaluru NCR and Mumbai) accounted for 82% of these start-ups.



Count	Unicorn	>100 mn	50–100 mn	20–50 mn	<20 mn	Total
Bengaluru	29	39	41	94	476	679
NCR	16	28	31	51	340	466
Mumbai	11	16	19	44	246	336
<b>Top three cities (A)</b>	<b>56</b>	<b>83</b>	<b>91</b>	<b>189</b>	<b>1,062</b>	<b>1,481</b>
Chennai	3	6	1	8	59	77
Pune	4	5	3	5	53	70
Hyderabad		2	3	8	59	72
Others	1	2	4	13	83	103
<b>Other cities (B)</b>	<b>8</b>	<b>15</b>	<b>11</b>	<b>34</b>	<b>254</b>	<b>322</b>
<b>Total (A+B)</b>	<b>64</b>	<b>98</b>	<b>102</b>	<b>223</b>	<b>1,316</b>	<b>1,803</b>

Count	Unicorn	>100 mn	50–100 mn	20–50 mn	<20 mn	Total
Bengaluru	4%	6%	6%	14%	70%	100%
NCR	3%	6%	7%	11%	73%	100%
Mumbai	3%	5%	6%	13%	73%	100%
<b>Top three cities (A)</b>	<b>4%</b>	<b>6%</b>	<b>6%</b>	<b>13%</b>	<b>72%</b>	<b>100%</b>
Chennai	4%	8%	1%	10%	77%	100%
Pune	6%	7%	4%	7%	76%	100%
Hyderabad	0%	3%	4%	11%	82%	100%
Others	1%	2%	4%	13%	81%	100%
<b>Other cities (B)</b>	<b>2%</b>	<b>5%</b>	<b>3%</b>	<b>11%</b>	<b>79%</b>	<b>100%</b>
<b>Total (A+B)</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>12%</b>	<b>73%</b>	<b>100%</b>

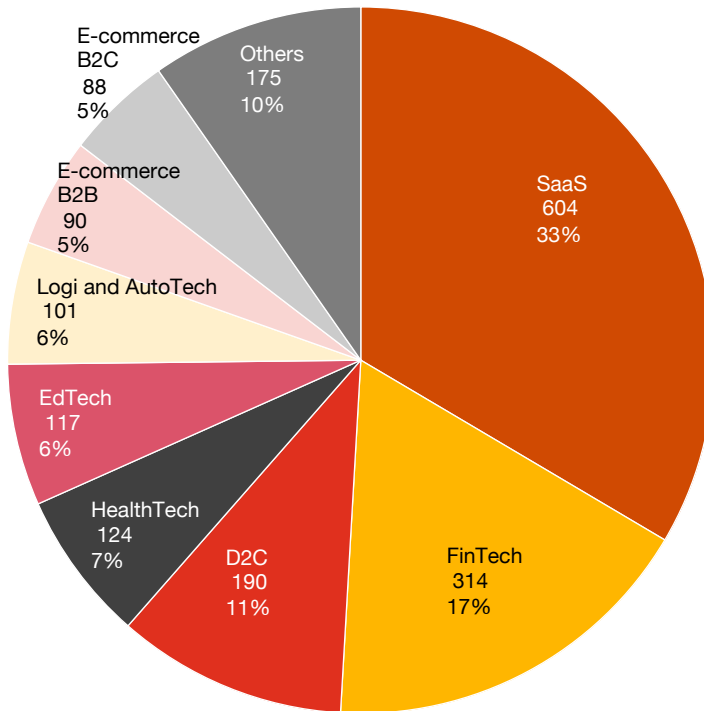
- **Bengaluru** witnessed the highest number of unicorns, followed by NCR and Mumbai. Similar trends have been noted for other companies that have raised more than USD 50–100 million.
- 28% of the start-ups in the top three cities have raised in excess of USD 20 million.
- However, only 21% companies raised more than 20 million outside the top three, despite an increase in the funding activity of these cities in the last four years.
- Apart from the top three cities, we expect continuing start-up ecosystem growth in Chennai, Pune and Hyderabad.

Source: Venture Intelligence

09

Overall, SaaS and FinTech are top two sectors representing nearly 33% and 17% of all funded start-ups in India.  
More than 50% start-ups in Chennai and Pune are SaaS start-ups.

1,803 start-ups raised funds over the last four CYs.  
SaaS and FinTech together represent nearly 51% of the total start-ups, followed by D2C, HealthTech and EdTech.



Count	Bengaluru	NCR	Mumbai	Chennai	Pune	Hyderabad	Others	Total
SaaS	261	131	80	40	35	25	32	604
FinTech	114	78	85	15	7	7	8	314
D2C	47	50	59	5	4	6	19	190
HealthTech	49	25	24	1	7	10	8	124
EdTech	44	37	18	4	2	7	5	117
Logi and AutoTech	40	30	12	4	6	2	7	101
E-commerce B2B	32	27	10	4	4	4	9	90
E-commerce B2C	25	34	17	2	1		9	88
Others	67	54	31	2	4	11	6	175
<b>Total</b>	<b>679</b>	<b>466</b>	<b>336</b>	<b>77</b>	<b>70</b>	<b>72</b>	<b>103</b>	<b>1,803</b>

% mix	Bengaluru	NCR	Mumbai	Chennai	Pune	Hyderabad	Others	Total
SaaS	38%	28%	24%	52%	50%	35%	31%	33%
FinTech	17%	17%	25%	19%	10%	10%	8%	17%
D2C	7%	11%	18%	6%	6%	8%	18%	11%
HealthTech	7%	5%	7%	1%	10%	14%	8%	7%
EdTech	6%	8%	5%	5%	3%	10%	5%	6%
Logi and AutoTech	6%	6%	4%	5%	9%	3%	7%	6%
E-commerce B2B	5%	6%	3%	5%	6%	6%	9%	5%
E-commerce B2C	4%	7%	5%	3%	1%	0%	9%	5%
Others	10%	12%	9%	3%	6%	15%	6%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

- 49–51% of start-ups in the top three cities (Bengaluru, NCR and Mumbai) are largely SaaS and FinTech companies, attracting potential investments.
- Mumbai and NCR have overtaken Bengaluru in terms of D2C and e-commerce B2C composition.
- Chennai and Pune are dominated by SaaS-based start-ups, representing 50% of the total companies that attracted funding in these cities.

Source: Venture Intelligence

10

Historically, the average time taken by an Indian start-up to become a unicorn has been nearly seven years. While e-commerce start-ups were the quickest to attain unicorn status, SaaS and online gaming companies took almost nine to ten years to do the same.

#### Ageing of Indian start-ups as of December 2022

Count	0 to 2	2 to 5	5 to 7	7 to 10	10 to 15	15 and above	Total
SaaS	145	166	137	87	52	17	604
FinTech	86	105	68	23	19	13	314
D2C	25	53	44	37	26	5	190
HealthTech	23	30	26	23	20	2	124
EdTech	26	36	19	19	15	2	117
Logi and AutoTech	12	35	29	21	4	-	101
E-commerce B2B	21	31	23	10	5	-	90
E-commerce B2C	18	24	28	9	8	1	88
Others	39	57	42	31	5	1	175
Total	395	537	416	260	154	41	1,803
% to total	22%	30%	23%	14%	9%	2%	100%

Source: Venture Intelligence

Ageing presented above is calculated on the basis of date of incorporation of the start-up legal entity.

Approximately 52% of Indian start-ups are aged less than five years.

#### Average ageing of Indian start-ups by sector and time taken to attain unicorn status

Particulars	Total start-ups	Average age	Total active unicorns	Average time to turn unicorn
SaaS	604	5.8	20	8.3
FinTech	314	5.4	16	7.2
D2C	190	6.8	7	7.3
HealthTech	124	6.6	4	8.0
EdTech	117	5.9	7	7.7
Logi and AutoTech	101	5.6	7	6.3
E-commerce B2B	90	5.1	5	8.2
E-commerce B2C	88	5.7	6	3.8
Media and entertainment	56	4.8	5	6.8
Real estate Tech	43	5.5	3	7.0
Online gaming	36	4.4	3	10.3
FoodTech	25	6.2	2	8.0
Others	15	6.1	-	-
Total	1,803	5.8	85	7.4

Source: Venture Intelligence

## 11

Average age of an Indian unicorn founder at the time of start-up incorporation is 32 years. Average age is highest in the case of e-commerce B2C, D2C and FinTech. The youngest unicorn founders are in FoodTech and media and entertainment.

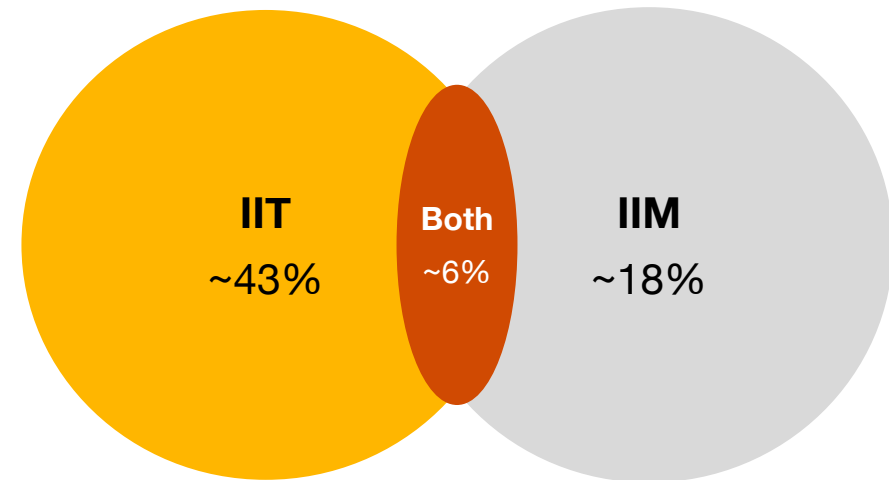
#### Average age of an Indian unicorn founder at the time of incorporation

Sector	Average age (years)
E-commerce B2C	36
D2C	34
FinTech	33
EdTech	32
SaaS	31
Real estate Tech	31
HealthTech	31
Logi and AutoTech	30
E-commerce B2B	29
Online gaming	26
Media and entertainment	24
FoodTech	24
Others	27
<b>Total</b>	<b>32</b>

- E-commerce B2C unicorn founders were the most experienced at the time of incorporating their start-up. We find this to be an interesting correlation, with the least time taken by e-commerce start-ups to become unicorns.
- At the higher end of the founder age profile are start-ups in the D2C and FinTech sectors where founders aged approximately 33 years had prior work experience of almost seven to eight years before starting a company.

Source: Venture Intelligence

#### Educational background of an Indian unicorn founder

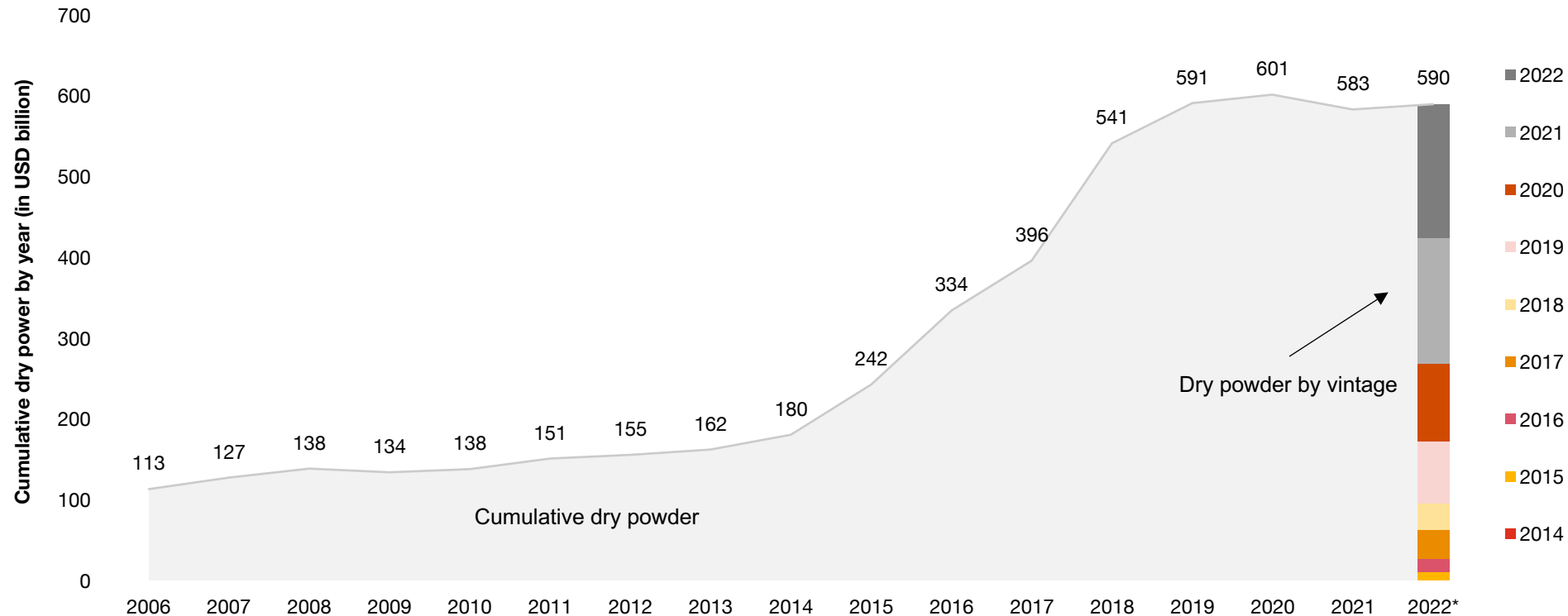


Source: Founder analysis presented on this page is based on the information available about these founders in the public domains (LinkedIn, company websites, etc.). The same is only indicative in nature.

## 12

The VC dry powder pile continues to grow globally and stands at approximately USD 590 billion. A majority of these funds were committed in CY21 and CY22.

Cumulative dry powder by year (in USD billion)



- For VC and private equity (PE) firms, dry powder refers to the amount of committed but unallocated capital a firm has on hand. It is an unspent cash reserve that is waiting to be invested.
- The build-up of dry powder is due to a market pullback by VC funds that are picky about their investments. The focus is on companies that have strong unit economics and a path to profitability.
- VC funds amounting to USD 590 billion in dry powder was available for start-ups – an indicator that we could see strong investment cycles ahead.





Source: Pitchbook Data, Inc. (as of 30 September 2022, latest available data)



# 13

## Indian start-up sector in focus – LogiTech





The leading archetypes of current players are e-logistics experts, hyperlocal players, specialists and technologists.

Archetype	Description	Examples
 <b>E-logistics experts</b>	These players focus on supporting various business models in the e-commerce industry like <b>marketplace, D2C and inventory models</b> . Supply chain is designed to ensure smooth flow of goods from seller (manufacturer, retailer) to the end consumer.	<b>Delhivery, Emizainc, Ecom Express, Amazon Transport Services, Shiprocket</b>
 <b>Hyperlocal players</b>	These players focus on <b>intra-city and often, rapid deliveries</b> of goods/services in a limited geography of typically less than 10–15 km, with delivery timelines ranging from 15–30 minutes to about 48–72 hours.	<b>Zomato, Porter, Zepto, Dunzo, Swiggy, LetsTransport</b>
 <b>Specialists</b>	These players focus on specific solutions (like digital freight forwarding and truck aggregation) or customer segments (like industrials), <b>serving largely non-e-commerce segments</b> .	<b>BlackBuck, Cogoport</b>
 <b>Technologists</b>	These players offer solutions that transform the logistics sector through software/hardware but are not typical logistics service providers (LSPs) themselves. These solutions can include <b>track and trace</b> through GPS, internet of things (IoT) and artificial intelligence (AI) to help in <b>delivery time prediction and route optimisation</b> .	<b>FarEye, Shippy, Grey Orange Robotics, Freightbro</b>

- LogiTech players are assisting individual truck owners/drivers to **expand their glass ceiling** of demand by bringing in a higher degree of governance. Presently, the Indian trucking industry is highly **unorganised and fragmented**.
- While the ride fare in primary transportation is lucrative in general, **the delivery value and distance per trip is small in last-mile delivery**. This is a key problem that LogiTech players are trying to address.



















Source: Secondary research, PwC analysis

## LogiTech deals insights

Archetype	Description	Examples
 <b>E-logistics experts</b>	<ul style="list-style-type: none"> <li>Larger e-logistics experts like Delhivery are focusing on serving leading players like Amazon and Flipkart, while smaller counterparts like Emiza and QuickShift are focusing on D2C brands. Large e-logistics experts could potentially acquire smaller players, as the D2C market becomes attractive.</li> </ul>	<ul style="list-style-type: none"> <li>XpressBees (approximately USD 2.4 million revenue, of which nearly 90% is from e-commerce) raised USD 300 million revenue to diversify for financing technological advancement, increasing its geographical presence and capabilities in B2B, warehousing and overseas business.</li> </ul>
 <b>Hyperlocal players</b>	<ul style="list-style-type: none"> <li>This is an extremely competitive space where service needs to be provided on demand and within limited time. The demand patterns change rapidly, making it a very challenging market to operate in.</li> </ul>	<ul style="list-style-type: none"> <li>Reliance Retail led a USD 240 million funding round in Dunzo, one of the pioneers of quick commerce. The funds will be used to help it expand to eight additional cities and broaden its quick commerce play.</li> </ul>
 <b>Specialists</b>	<ul style="list-style-type: none"> <li>There are multiple players coming up in this space with a focus to bring transparency and real-time supply availability for customers. Over time, these businesses are not expected to be contained within a country or a continent; they are rather expected to operate globally. Larger players will keep on acquiring smaller players with a niche regional footprint.</li> </ul>	<ul style="list-style-type: none"> <li>Cogoport, a logistics platform aggregating ocean and airline freight for exporters and importers carriers, raised USD 50 million from Tiger Global in Series B.</li> </ul>
 <b>Technologists</b>	<ul style="list-style-type: none"> <li>Since they are essentially platform-based businesses, consolidation is estimated to occur in the race to acquire more customers.</li> </ul>	<ul style="list-style-type: none"> <li>Shipsy (a SaaS-based logistics management platform) raised USD 25 million in Series B for geographic expansion in the Middle East, India and other Southeast Asian markets, entering new markets (US, Europe) and enhancing its AI, machine learning and blockchain capabilities for product innovations.</li> </ul>

Source: Secondary research, PwC analysis

LogiTech is witnessing a change in demand centers and product mix, increased use of technology and demand for faster deliveries.

Archetype	Description	Impact in 3–5 years	Impact in >5 years
 Shorter delivery times	<ul style="list-style-type: none"> <li>Operating models are changing to <b>reduce timelines</b>.</li> <li>Players are expanding their networks of <b>hubs across smaller cities</b> to reduce delivery timelines, leading to faster fulfilment of orders.</li> </ul>		
 Shift in demand centres	<ul style="list-style-type: none"> <li><b>Tier 2 and beyond</b> (spread across more than 4,500 towns and cities) share of shipments is estimated to increase due to rapid ramp up in internet penetration.</li> </ul>		
 Shift in product categories	<ul style="list-style-type: none"> <li>Apart from the main categories (mobile, electronics, apparel), <b>spends on groceries and home furniture are increasing</b> and expected to grow rapidly.</li> <li>The share of <b>larger and heavier shipments</b> is also increasing.</li> </ul>		
 Adoption of electric vehicles (EVs)	<ul style="list-style-type: none"> <li>Companies like Amazon, Flipkart and BigBasket have committed to <b>aggressive 2W and 3W EV adoption into their delivery fleet</b>. As the availability of EV models increases, they will become dominant due to their significant operating cost advantages.</li> </ul>		
 Role of technology	<ul style="list-style-type: none"> <li>Technology's role is expected to keep increasing with logistics analytics, warehouse automation, on-demand services, process integration and even <b>drone deliveries</b>.</li> </ul>		
 Emergence of value-added services	<ul style="list-style-type: none"> <li>Players are increasingly offering value-added services like product inspection, labelling, packaging, cash on delivery (COD), reverse logistics and live tracking.</li> </ul>		

Source: PwC analysis



# About PwC

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