

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**STARRED QUESTION NO. 66.
TO BE ANSWERED ON FRIDAY, THE 25TH JULY, 2025.**

PERFORMANCE EVALUATION OF STARTUPS

***66. SHRI VIVEK K. TANKHA:**

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the number of Startups registered under Start-up India program since 2022, along with the number of Startups which shutdown/ceased operations, year-wise;
- (b) whether Government is aware of the decline or slowdown in venture capital and private equity funding, especially in early-stage and Series A rounds since 2022 and the most affected sectors;
- (c) whether any impact assessment on layoffs, valuation markdowns or reduced activity due to funding shortages has been conducted, if so, the findings thereof; and
- (d) whether Government proposes policy, regulatory or fiscal measures to support Startups, boost domestic capital participation and restore investor confidence, if so, the details thereof?

ANSWER
THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE RAJYA SABHA STARRED QUESTION NO. 66 FOR ANSWER ON 25.07.2025

(a): The Government with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging investments launched the Startup India initiative on 16th January 2016.

As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, entities are recognized as ‘startups’ under the Startup India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT). As on 30th June 2025, a total of 1,80,683 entities have been recognised as startups by DPIIT. Of these, 1,18,709 have been recognised since 2022. 6,019 recognised startups are categorized as closed (i.e., dissolved/struck-off) as per the Ministry of Corporate Affairs (MCA) as per data shared on 18th July 2025.

(b): In India, Alternative Investment Funds (AIFs), which are privately pooled investment vehicles, are utilized by various investors to channel venture capital and private equity into startups. As per the Securities and Exchange Board of India (SEBI) Annual Report 2023-24, the AIF market segment in India has matured significantly. Several factors, including India's thriving startup ecosystem, supportive regulatory framework, a steadily growing pool of domestic investors, and unique investment opportunities with potentially higher returns, have fuelled the growth of AIFs. Specifically, the commitments raised by AIFs have seen three-fold increase, reaching Rs. 11.3 lakh crore at the end of 2023-24 from Rs. 3.7 lakh crore at the end of 2019-20.

The Government has established the Fund of Funds for Startups (FFS) to further catalyze venture capital investments. It is operationalized by Small Industries Development Bank of India (SIDBI), which provides capital to SEBI-registered Alternative Investment Funds (AIFs) which in turn invest in startups. AIFs supported under FFS are required to invest at least two times of the amount committed under FFS in startups. Almost the entire corpus of Rs. 10,000 crore has been committed to AIFs which have catalysed investments of Rs. 23,679 crore into startups under the Scheme as on 30th June 2025, increasing from just Rs. 344 crore in 2017.

(c): Impact assessment studies have been undertaken for the flagship Fund of Funds for Startups (FFS) Scheme which mobilises venture capital investments for startups under the Startup India initiative.

The key insights of the studies note that FFS has been strong in terms of seeding domestic fund managers, multiplier effect of FFS on capital raise by AIFs, and employment generation and diversity. The studies have also highlighted the contribution of the FFS in the development of a strong talent pool in fund management by anchoring funds, nurturing fund managers and promoting good governance practices within AIFs. Aggregate revenues of the supported startups have grown notably over the period, which is expected to have been accompanied with a corresponding increase in employment as well. Number of startups receiving funding from FFS supported AIFs when they are entering a phase of high growth and scale-up, highlighting the critical role played by the FFS in funding startups at that time in the startup lifecycle.

(d): Under Startup India initiative, the Government constantly undertakes various efforts, including policy, regulatory and fiscal measures, for the development and growth of startup ecosystem. The flagship Schemes namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) support startups at various stages of their business cycle. The Government also implements periodic exercises and programs including States' Startup Ranking, National Startup Awards, and Innovation Week which play an important role in the holistic development of the startup ecosystem. Government also encourages and support ecosystem led initiatives as Startup Mahakumbh which serve as a vibrant platform for stakeholders to network and collaborate. Initiatives to improve market access and enable public procurement also support startups in growing and scaling up their businesses have also been undertaken. Digital platforms such as the Startup India portal and BHASKAR enable easy access to resources and startup ecosystem collaboration.

The Government has also taken various measures to enhance ease of doing business including starting up of business, raising capital, and reducing compliance burden to simplify the regulatory environment and create a conducive business environment.
