

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

**UNSTARRED QUESTION NO. 1482.  
TO BE ANSWERED ON FRIDAY, THE 01<sup>ST</sup> AUGUST, 2025.**

**SCENARIO OF STARTUP ECOSYSTEM**

**1482. MS. SUSHMITA DEV:**

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

- (a) the number of startups that have shut down from 2022 to 2025 so far;
- (b) the number of startups set up and shut down in the North-Eastern region since the inception of Startup India programme, year-wise and State-wise;
- (c) the major factors identified by Government for the surge in Startup closures across sectors;
- (d) whether Government has conducted or proposes to conduct any sector-wise analysis to understand patterns of cash burn, customer retention challenges and operational inefficiencies in startups, if so, the details thereof; and
- (e) the steps being taken to encourage startup consolidation, mergers and acquisitions to protect innovation and employment?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI JITIN PRASADA)**

- (a): As on 30<sup>th</sup> June 2025, a total of 1,80,683 entities have been recognised as startups by DPIIT. As per data shared by the Ministry of Corporate Affairs (MCA) on 18th July 2025, 6,019 recognised startups are categorized as closed (i.e., dissolved/struck-off).
- (b): The North Eastern Region (NER) comprises of eight States viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. Specifically in the NER, a total of 2,437 entities have been recognised as startups by DPIIT as on 30th June 2025. As per data shared by MCA on 18th July 2025, 87 recognised startups are categorized as closed (i.e., dissolved/struck-off) in the NER. The State-wise details of the same are placed as **Annexure-I**.
- (c): The Government has not observed any surge in startup closures. Closures that do occur are generally influenced by factors such as the viability of the business model, alignment with market demands, domestic and global economic conditions, the nature of products and services developed, the ability to attract funding, and other business-specific considerations.

- (d): Information with respect to a startup's cash reserves, customer retention, and operational efficiency varies from startup to startup and such information is generally private in nature. Accordingly, this information is not centrally maintained by the Department.
- (e): As per inputs provided by MCA, the requirements with respect to merger or amalgamation of companies have been provided under section 230-234 of the Companies Act, 2013. Specifically, Section 233 of the Companies Act, 2013 provides for fast-track merger or amalgamation for certain companies through approval of the Central Government (delegated to Regional Directors).

The MCA has undertaken the following measures to streamline the approval process that would specifically support startups:

- i. Extended the fast-track process for mergers under the Companies Act, 2013 in the year 2021 to also include mergers of startups with other startups and small companies, so that the process of mergers and amalgamations is completed faster for such companies.
- ii. The amendment has been made in Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in the year 2024 pursuant to which merger of a holding company incorporated abroad with its wholly owned subsidiary incorporated in India would require approval of Central Government (delegated to Regional Directors). Prior to this amendment, such mergers required approval of the National Company Law Tribunal (NCLT). This would make this process speedier and would allow NCLT to concentrate on other areas.

Further, the provisions of the Companies Act, 2013 and Rules made thereunder are reviewed/amended from time to time by MCA on the basis of examination of suggestions received from the stakeholders or recommendations made by Company Law Committee.

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**ANNEXURE-I****ANNEXURE REFERRED TO IN REPLY TO PART (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 1482 FOR ANSWER ON 01.08.2025**

The State-wise details of number of entities recognised as startups and categorized as closed (i.e., dissolved/struck-off) in the North-Eastern region are as follows:

| <b>S. No.</b> | <b>State</b>      | <b>No. of entities recognised as startups as on 30th June 2025</b> | <b>No. of startups categorized as closed (i.e., dissolved/struck-off) as per data shared by MCA on 18th July 2025</b> |
|---------------|-------------------|--|---|
| 1.            | Arunachal Pradesh | 72   | 1   |
| 2.            | Assam             | 1,747  | 56  |
| 3.            | Manipur           | 211  | 9   |
| 4.            | Meghalaya         | 72   | 4   |
| 5.            | Mizoram           | 52   | 3   |
| 6.            | Nagaland          | 103  | 4   |
| 7.            | Sikkim            | 16   | 1   |
| 8.            | Tripura           | 164  | 9   |
| <b>Total</b>  |                   | <b>2,437</b>   | <b>87</b>   |

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