

A Study on Startup Ecosystem in India

P. Premkumar¹, S. Nandhini², P. Kokila³, T. G. Dhaarani⁴

¹AP/ECE, Nandha Engineering College, Tamilnadu, India

²ASP/ECE, Nandha Engineering College, Tamilnadu, India

³AP/ECE, Nandha Engineering College, Tamilnadu, India

⁴ASP/ECE, Nandha Engineering College, Tamilnadu, India

Abstract: India is fast emerging as a start-up nation. The Indian technology landscape has seen a tremendous growth towards creation of innovative startups and has emerged as the 3rd fastest growing hub for technology startups in the country, this detailed analyses the current scenario and emerging trends across the various dimensions that define the Indian start-up ecosystem, and gauge India's position as a global start-up hub that is becoming attractive for investors, start-ups, & corporates. This study also details the current landscape, its growth factors, top trends, funding scenario, and key policies. Also, provides analysis on key industry verticals, incubators/accelerators, and the talent scenario.

Keywords: Startup, India, Mygov

I. INTRODUCTION

“NASSCOM 10000 Startups Report” or “Startup Landscape 2014”, shows the growth of India as the 4th largest base for startups in the world, as well as local differences, data on the typology of founders, up to the success stories of the past five years and the different parts of the ecosystem itself with VCs, supporting organisations and more. The growth of the scene should go as far as 2,000+ new startups created each year by 2020, and job creation from these entrepreneurs go from 65-75k as of today to 250-300k by 2020. Of course India is a continent of its own, and some 6 cities are trusting 90% of the technology scene. Bangalore (now Bengaluru) and the New Delhi area account for 28% and 24% of the startups in India, although emerging scenes pop up around the country, from Mumbai to Hyderabad, Pune or Chennai.

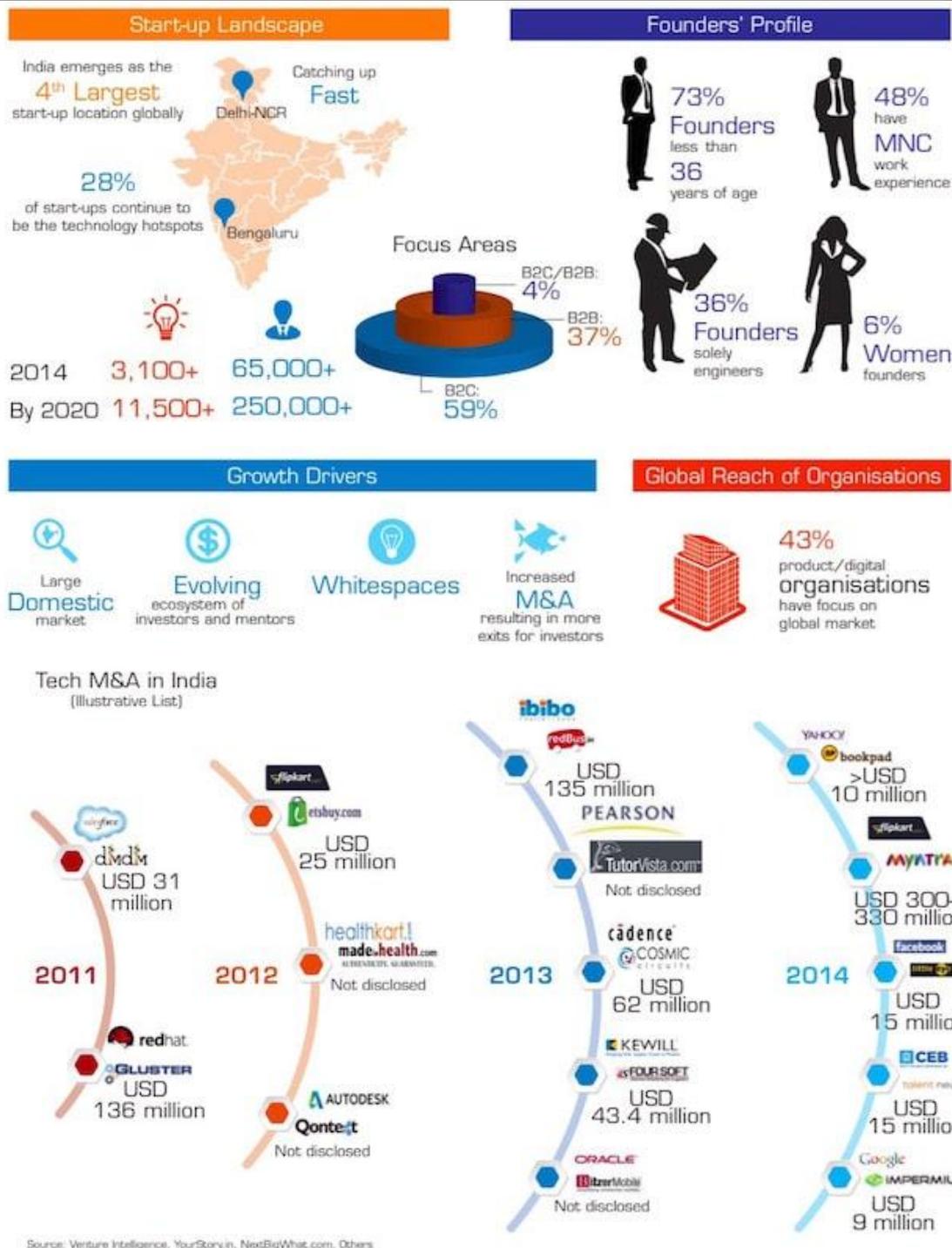
II. STARTUPS IN INDIA

WHO ARE THE INDIAN STARTUPERS AND ENTREPRENEURS?

The profile of entrepreneurs in India doesn't give too much surprise, with 32 y.o as an average age, only 6% women founders. Interestingly enough though, the biggest chunk of startupers in the country have a background in MNCs and Indian tech companies (35% and 27% of the sample of the report). Only 13% of startup founders have no experience in the field before launching their venture.

The ecosystem itself is supported by a growing number of funds, angels, and support organisations such as incubators, accelerators, event platforms and academic programs. Where it's possible to see a growth in terms of ecosystem is by the growth of the numbers of all these components, as well as of the average size of deals.

In India, the average investment in 2010 was \$4.2m, it should reach more than \$11m for 2014. Investments are also spread across a wide range of stages, from seed funding to growth stage. The recent big fundraising of e-commerce specialist [Flipkart](#) (\$1bn raised at \$7bn valuation) and the investment of \$2bn from Amazon show this maturity, at least for the e-commerce part.



III. PRODUCTS AND SERVICES FOR THE GROWING MIDDLE-CLASS OF INDIA

If India, by its market size and its fast growing middle-class (50m in 2007, 583m expected by 2025), and a lot of blue oceans (Big Data, Internet of Things), there are some blocks on the road. Regulations and bureaucracy are often said to be big and inefficient in india, infrastructure is very unequal across the country.



This report on the India startup ecosystem ends up with a series of key points the government needs to address to foster an even stronger culture of entrepreneurship, from the equivalent of a small business act to get startups to take part into big public projects, up to clearer funding rules and special administrative & economic areas for startups.



IV. CONCLUSION

India declared 2010-20 as the Decade of Innovation. Innovation is the key for startup ecosystems and results for more industrialization. That increases the per capita income of a country. But the great problems in Indian markets are that they are unorganized and fragmented. There is a lack of unambiguous and transparent policy motives, lack of communications sources, lack of knowledge and exposure. Startup systems require a

combination of friendly operational, regulatory and taxation issues that affects the working of business environment very much. For building an entrepreneurial environment, the government, big corporate, educational institutions should come forward to provide a culture for startups in India. Mentor programmes, innovative essay competitions, workshops, seminars should be organized by the government and universities. From an overall viewing, India had a very high scope for growth of startup ecosystems. India offers the largest pie of venture prospect that the world is eyeing.

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