

India's Startup Revolution

1.57 lakh startups and 17.28 lakh jobs mark a decade of progress

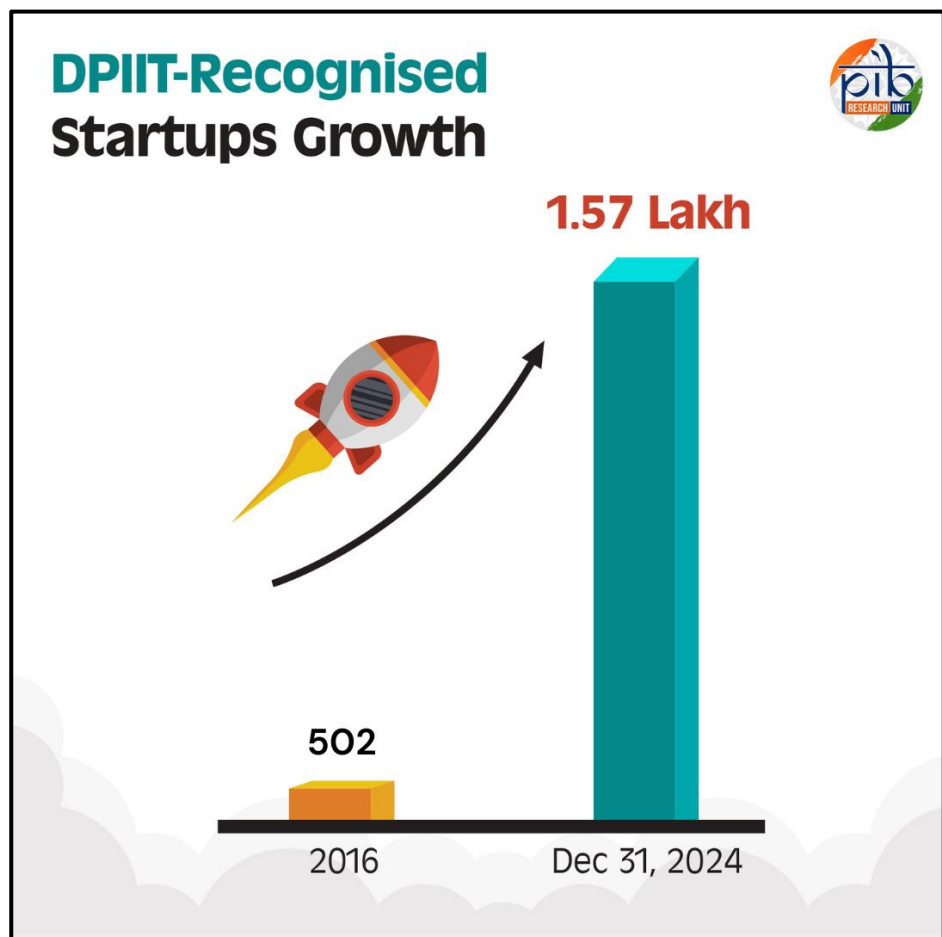
(Ministry of Commerce & Industry)

February 01, 2025

Introduction

India has firmly established itself as the third-largest startup ecosystem in the world, with over **1.57 lakh** certificates issued by Department for Promotion of Industry and Internal Trade (DPIIT) for recognition of startups as of December 31, 2024. The nation's entrepreneurial landscape, fuelled by more than 100 unicorns, is redefining innovation and creating new opportunities across sectors. Major hubs

like Bengaluru, Hyderabad, Mumbai, and Delhi-NCR have been at the forefront of this transformation, while smaller cities are increasingly contributing to the momentum with over 51% of the startups emerging from Tier II/ III cities. Through initiatives like Startup India, the government has played a pivotal role in nurturing this growth and empowering the next generation of entrepreneurs.



Key Schemes and Initiatives for Startups

Startup India

Launched on 16th January 2016, Startup India is a flagship initiative by the Government of India to foster innovation and create a thriving startup ecosystem. Its goal is to drive economic growth and generate large-scale employment opportunities. By supporting startups in their growth journey, the initiative encourages innovation and design. Through various schemes, it aims to empower startups to scale and succeed.

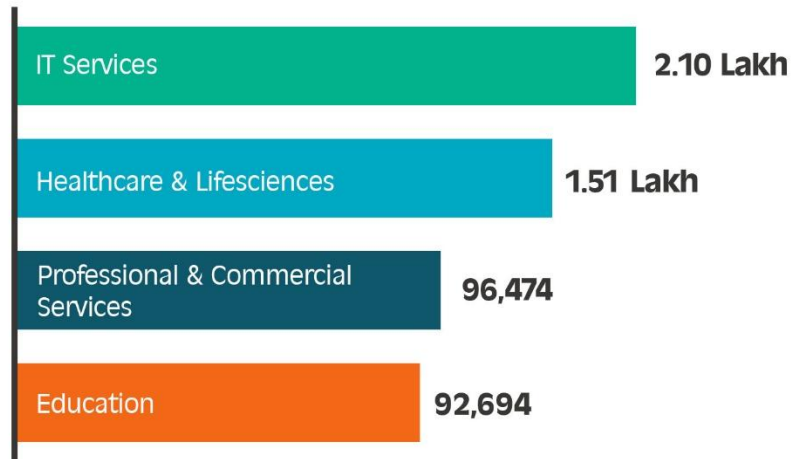


Progress and Impact:

- ❖ **Startup Growth:** The number of DPIIT-recognised startups has risen from around 502 in 2016 to 1,57,706 as of December 31, 2024.
- ❖ **Job Creation:** Startups have created over 17.28 lakh direct jobs as of December 31, 2024, with the IT Services sector leading at 2.10 lakh jobs, followed by Healthcare & Lifesciences (1.51 lakh) and Professional & Commercial Services (96,474).
- ❖ **Women-Led Startups:** As of December 31, 2024, a total of 75,935 recognised startups include at least one-woman director (as per self-reported data of recognized startups), showcasing the rise of women entrepreneurs in India.

- ❖ **Ease of Doing Business & Tax Benefits:** Simplified compliance, self-certification, and tax exemptions for three years have streamlined operations for startups.

Industries Leading Job Creation in Startups



(Jobs Created as of December 31, 2024)

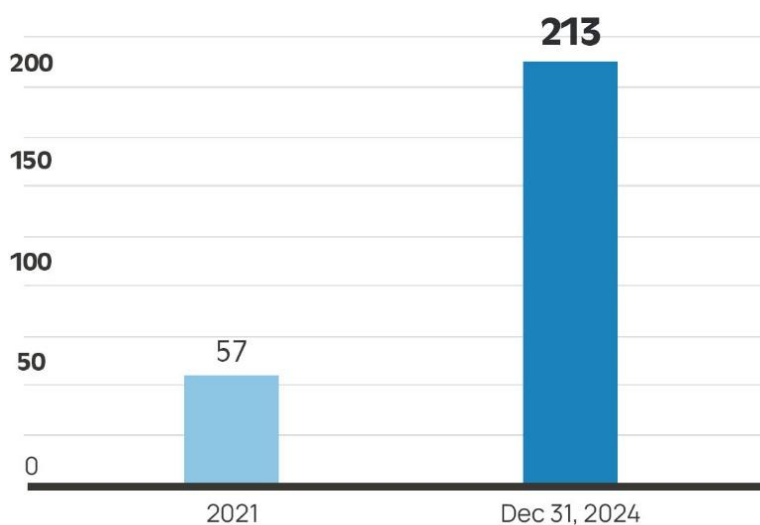
Startup India Seed Fund Scheme (SISFS)

Launched in 2021 with a corpus of ₹945 crore, the SISFS supports startups at various stages, including proof of concept, prototype development, product trials, market entry, and commercialisation. The scheme, operational since 1st April 2021, is overseen by the Experts Advisory Committee (EAC), which evaluates and selects incubators for fund allocation.

Progress and Impact:



Cumulative Growth of Incubators Under SISFS



- ❖ **213** incubators have been approved under the scheme as of December 2024.
- ❖ A total of **2,622 startups** have benefited from **₹467.75 crore** in funding as of December 2024.

Fund of Funds for Startups (FFS) Scheme

Launched in June 2016 with a corpus of ₹10,000 crore, the Fund of Funds for Startups (FFS) aims to boost access to domestic capital for startups. Managed by SIDBI, it funds SEBI-registered Alternative Investment Funds (AIFs), which then invest in startups through equity and equity-linked instruments.

Progress and Impact:

- ❖ By 2024, **₹6,886 crores** have been committed by DPIIT to SIDBI and **₹11,687 crore** was committed by SIDBI to AIFs under the FFS scheme as of December 2024.
- ❖ This commitment catalyzed investments of **₹21,276 crore in 1,173 startups**.

Credit Guarantee Scheme for Startups (CGSS)

The Credit Guarantee Scheme for Startups (CGSS) provides credit guarantees for loans to DPIIT-recognised startups from Scheduled Commercial Banks, NBFCs, and Venture Debt Funds. Implemented by the National Credit Guarantee Trustee Company Limited (NCGTC), it aims to offer credit guarantees up to a specified limit, easing access to funding for startups.

Progress and Impact:

- ❖ As of January 3, 2025, the scheme has guaranteed **260 loans worth ₹604.16 crore to 209 startups**.
- ❖ Among these, **₹27.04 crore** has been allocated to **17 women-led startups**.

Other Notable Schemes

Atal Innovation Mission (AIM)

Launched in 2016 by NITI Aayog, the Atal Innovation Mission (AIM) aims to promote innovation and entrepreneurship across India. It includes initiatives like Atal Tinkering Labs at the school level to foster creativity, Atal Incubation Centres to build a robust startup ecosystem, and Atal Community Innovation Centres to serve unserved and underserved regions. The Atal New India Challenges focus on product and service innovations with national impact. All initiatives are monitored through real-time MIS systems, with third-party reviews for continuous improvement.

Progress and Impact:

- ❖ Till date, **10,000 Atal Tinkering Labs** have been established in schools across India under AIM.
- ❖ As of December 18, 2024, a total of **3,556 startups** have been incubated in **72 Atal Incubation Centres (AICs)**, creating **41,965 jobs**.

MeitY Startup Hub (MSH)

India is home to one of the most vibrant startup ecosystems with close to 30,000+ tech startups, making it the 3rd largest startup ecosystem in the world. The MeitY Startup Hub (MSH) aims to foster a vibrant innovation and startup ecosystem by uniting technology innovation stakeholders and promoting economic growth through innovation and technological advancement. It serves as a central hub, ensuring synergies among incubation centres, Centres of Excellence on Emerging Technologies, and other platforms supported by the Ministry of Electronics and Information Technology. MSH facilitates the sharing of resources, best practices, and ideas across the entire innovation and startup ecosystem.

Progress and Impact:

- ❖ **5,310+ startups, 495+ incubators, and 328+ labs** are part of the MeitY Startup Hub (MSH) scheme.

Conclusion

Over the last 10 years, India's startup ecosystem has experienced tremendous growth, becoming the third-largest in the world. With initiatives like Startup India, SISFS, CGSS, FFS, and sector-specific schemes such as AIM and MSH, the government has played a pivotal role in fostering innovation, creating jobs, and supporting entrepreneurs. This dynamic collaboration among stakeholders has strengthened the ecosystem, driving economic growth and empowering the next generation of innovators. Looking ahead, India's startup landscape is set to reach even greater milestones.

References:

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Santosh Kumar/ Sarla Meena/ Saurabh Kalia