

India has 3rd largest base of start-up firms

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NEW DELHI: Within a year, the number of technology start-ups in the country has grown by 40 per cent to over 4,200, making India the third largest base of technology start-ups in the world, according to the Economic Survey 2015-16.

This has further helped create about 80,000-85,000 jobs during 2015. "India, home to a new breed of young start-ups, has clearly evolved to become the third largest base of technology start-ups in the world. Within one year, the

number of start-ups in India has grown by 40 per cent and crossed the 4200 mark, an addition of nearly 1200, creating 80,000-85,000 jobs in 2015," the survey said. Separately, the survey also stated that as of January 2016, there were 19,400 technology-enabled start-ups in India, of which 5,000 had been started in 2015 alone. "One part of the economy that is witnessing unusual dynamism is the start-up sector, focused on e-commerce and financial services," according to the survey.

The survey added no less

than 2000 of the start-ups have been backed by venture capital/angel investors since 2010, of which 1005 were created in 2015 alone.

"Indian start-ups raised USD 3.5 billion in funding in the first half of 2015, and the number of active investors in India increased from 220 in 2014 to 490 in 2015," it said.

As of December 2015, eight Indian start-ups belonged to the 'Unicorn' club i.e had valuations greater than USD one billion, it said.

The survey added that it is important that start-ups, too,

see "exit," which would take the form of these companies being listed, allowing the original private investors to cash in on the initial investment, and plough it back into other similar ventures.

Exit valuations low

"Exit valuations in India are still low but are expected to increase as the impact of new SEBI policies on listings comes into effect, and as equity markets in general revive from current low valuations caused by a sense of gloom in the global economy."