

What's ailing the Indian start-up ecosystem these days

OUR BUREAU

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Even with a rise in the number of start-ups, support in the form of funding, mentorship and lack of opportunities in government projects continue to hinder start-ups.

Addressing newsmen at the annual Nasscom Product Conclave, Debhani Ghosh, President, Nasscom, pointed out that the country has seen the addition of eight Unicorn companies in 2018, coupled with \$4.3 billion in funding received from January-September 2018.

Seed funding drops

"While this is good, institutional support for early stage start-ups in the form of seed funding, can enable them to go global," Ghosh said. As an ex-

ample, Nasscom stated the case of JETRO, which acts as a bridge between the Japanese government and businesses. Nasscom data pointed out that seed funding dropped 21 per cent to \$151 million when compared to \$191 million in 2017. Interestingly, India saw 1,200 start-ups launching their ventures in 2018. It, however, did not specify how many of start-ups shut shop.

Govt orders

The ones who are in the business are facing some other issues, apart from funding and mentorship. All of them are facing it difficult to get access to government projects. "The government needs to open itself up as a market for start-ups as they have the potential to disrupt service delivery system that is



existent in the government and public sector," said Ghosh. Industry watchers point to the use of blockchain in government sectors and fintech in case of banks. However, to be fair, the

government is not sitting idle. For example, Priyank Kharge, the former IT/BT Minister for Karnataka, had launched a start-up programme wherein the government will use its

₹400-crore corpus to fund 100 tech start-ups. "Apart from funding, they would also get an opportunity to do projects with the government," Kharge had said.

Dana Kush, Consulate-General of Israel to South India recently told *BusinessLine* that with the India-Israel Innovation Centre, there is an effort to combine and collaborate in various areas from agri-tech to cyber-security.

"These are good beginnings but it needs to be multiplied across the country," said a start-up founder who develops blockchain software for businesses. Also, while there are eight Unicorns in 2018, none of them have expressed any remote interest to list in the stock markets.