

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. \*31**  
**TO BE ANSWERED ON 08.12.2022**

**STARTUP COMPANIES**

\*31. SHRI S. VENKATESAN:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether it has come to the notice of the Government that 90 to 95 per cent of startup companies have failed;
- (b) if so, the percentage of failures among Micro, Small and Medium Enterprises;
- (c) whether the statistics with the Government corroborate with the findings of these studies on failure of startups; and
- (d) if not, the failure rate as per the details available with the Government?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. \*31 FOR 08.12.2022 REGARDING STARTUP COMPANIES**

(a) to (d): As per Allocation of Business Rules, 1961, matters relating to startups come under the purview of the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry. As per the information provided by DPIIT, the Government of India has taken a comprehensive approach under the Startup initiative which has resulted in the country's Startup ecosystem maturing into the third largest startup ecosystem. The Government has already recognized more than 84,000 Startups that are spread over 640 districts with 45% of them being from tier 2 and 3 cities. The recognized Startups have reported creation of over 8.4 lakh jobs. Further, more than 100 India Startups have achieved unicorn status (entity valued over USD 1 billion) as on date.

Whereas, regular businesses are often measured by success or failure in a specific number of years of operation, Startups and scale ups are more accurately measured by failure or success in a particular phase making it difficult to put together a statistic covering all types of new businesses and their failure rate with any level of accuracy.

The information with respect to the failure of Startups is not centrally maintained by the Government.

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