

18% OF THE TOTAL START-UPS IN 2019 ARE NOW LEVERAGING DEEP TECH – NASSCOM START-UP REPORT 2019

Addition of 1300+ start-ups in 2019; 8900+ total tech start-ups

Bengaluru, November 5, 2019: As India continues to take swift steps towards digitalization, fuelled by policy reforms, technological innovation and digital transformation, India's start-up ecosystem is looking at the threshold of the next wave of growth by leveraging new technological innovations. The **National Association of Software and Services Companies (NASSCOM)**, today launched their report on the *Indian Tech Start-up Ecosystem – Leading Tech in the 20s*, at the side-lines of the of the 16th Anniversary Edition of **NASSCOM Product Conclave 2019**. The report has been commissioned along with Zinnov.

Adding over **1300+ start-ups** in 2019, India continues to reinforce its position as the **third largest start-up ecosystem across the world**, taking the total number of tech start-ups to **8900-9300** in the last five years. The trend witnessed over the year was that start-ups are driving focus more towards the B2B space and almost half of the country's start-ups are offering enterprise focused services.

India also witnessed the addition of **7 Unicorns in 2019 till Aug, taking the total tally up to 24**, which is the third highest number of Unicorns in a single country in the world. Among the new unicorns, it was commendable to see that sectors

such as gaming, SCM & logistics and automotive are receiving the recognition they deserve. There are also over 50 potential unicorns in the country at present that have received cumulative funding > USD 50 Mn; pool grew 3X over last year with 35 new additions in 2019.

Speaking on the occasion, Ms. Debjani Ghosh, President, NASSCOM, said, "The start-up landscape in the country is becoming the epitome of innovation, with companies bringing out solutions that are aimed at solving locally relevant issues. However, to simulate innovation, government and corporates need to focus on increasing their role as prominent stakeholders playing the part of venture capitalists and providing the appropriate market access, funding, and guidance to seed stage start-ups.

KEY HIGHLIGHTS

Over 1300 start-ups added in 2019
7 Unicorns added in 2019 till Aug; 3rd highest number of unicorns in the world
43% of start-ups are B2B
Over 50 potential unicorns in the country
18% of all start-ups are leveraging deep-tech
21% focused on global markets
Over 480 start-ups registered overseas with R&D in India including 20+ international unicorns
More than 335 active incubators and accelerators in India; 57% of programs active outside Tier 1 cities
~390,000-430,000 direct jobs created by start-ups as of 2019

Today, India stands at a very exciting threshold, with the advent of several new technologies, newer avenues have opened. Deep-tech is no longer a mere conversation, but is already seen as a tangible, exciting prospect, enriching lives and enhancing the potential for innovation. There has been a rapid growth in the number of deep-tech start-ups as well as start-ups focusing on the underserved markets. Increase in internet penetration, better infrastructure for digital transactions and the Indian government's push towards digital inclusion have evangelized start-ups. Entrepreneurs are now focusing on creating solutions using deep-tech such as artificial intelligence, analytics, augmented reality/virtual reality, blockchain and internet of things, among others. Over 18% of all start-ups are now leveraging deep-tech, which means there are over 1600 such companies in India. This number constituted only 8% of start-ups incepted in 2014 and has seen a 40% CAGR over the past five years.

Ms. Debjani Ghosh further added, "Indian start-up ecosystem has definitely come a long way in providing a level playing field for innovators to flourish by strengthening capabilities and fostering co-creation. The next wave of growth will be at the junction of convergence of technologies, where different sectors will embrace digital to re-define their operations."

The country has over 335 active incubators and accelerators with a capacity to enable over 5000 start-ups every year. More than 65% share of incubators and accelerator programs were added in the last five years, out of which 57% are active outside Tier 1 cities. The robust start-up ecosystem of India is at a cumulative valuation of USD 95-101Bn and has given rise to 390,000 – 430,000 direct jobs with over 60,000 jobs in 2019 alone.

NASSCOM aims to accelerate this ecosystem significantly by 2025. This entails increasing the number of unicorns to 95-105 potentially and the cumulative valuation to USD 350-390Bn. The target is to also achieve 1100-1250k direct jobs in the start-up ecosystem by 2025. This can be done by improving certain capabilities in providing institutional support at the early stages, so start-ups can tap global markets as well as local markets with ease in public procurement norms and processes. NASSCOM also recommends building sector specific initiatives such as global centres of excellence (or innovation clusters) for each industry along with industry-specific physical and digital sandboxes. Another area that requires attention is increased corporate and equity investor participation at pre-seed and seed stages; expansion of CSR guidelines to increase capital availability and encouraging the establishment of corporate innovation labs. NASSCOM will continue its drive towards catalysing emerging tech start-ups, build category leaders and support them to create not only for India but also scale up and solve for the world.

[About NASSCOM](#)



The National Association of Software and Services Companies (NASSCOM®) is the premier trade body and chamber of commerce of the Tech industry in India and comprises over 2800-member companies including both Indian and multinational organisations that have a presence in India. Our membership spans across the entire spectrum of the industry from start-ups to multinationals and from products to services, Global Service Centers to Engineering firms. Guided by India’s vision to become a leading digital economy globally, NASSCOM focuses on accelerating the pace of transformation of the industry to emerge as the preferred enablers for global digital transformation. Our strategic imperatives are to reskill and upskill India’s IT workforce to ensure that talent is future-ready in terms of new-age skills, strengthen the innovation quotient across industry verticals, create new market opportunities - both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the Industry narrative with focus on Talent, Trust and Innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity.

NASSCOM has played a key role in not just the growth of the Industry to become a \$180+ Billion industry today, but we have helped establish the Tech industry in India as one of the most trusted partners, globally. NASSCOM continues to make significant efforts in contributing towards India’s GDP, exports, employment, infrastructure development and global visibility. Our membership base constitutes over 95% of the industry revenues in India and employs over 4 million professionals, and as technology blends into every aspect of the economy, we expect the industry to become key driver of growth, development and inclusion for the country. Our mission is to make India a global hub for Innovation and Talent so when the world thinks Digital, the world will think India.

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