

Q1 Equity crowd-funding provides a viable funding channel for startups in the country. Do you agree with this view? Comment.

Sol: After US and China, India becomes the 3rd largest startup ecosystem all over the world.

Important factors:

Funding is one of the important factor to grow this ecosystem further.  
A crowd-funding is one of that

Picture from Sky:

⇒ From 2006, only 726 startups in India. As per March 2022, 63,826 startups registered, as per Ministry of Commerce & Industry.

⇒ Increasing unicorn: 101 startups reached.

the milestone of unicorn i.e., reaching valuation worth 1 Billion dollars.

## Why crowd-funding?

Out of 63,326 total startups, only 7% startups are able to raise the funding from Private Equity and Venture Capitalists.

~~#~~ Remaining 59,000 startups ~~will~~ not able to raise the funds.

## # Best way to raise funds:

Raising small funds but from the large public via internet campaigns, known as crowd-funding.

## Govt Moves:

→ Institutional Trading Platform  
(for startups)

The Best Example from US → JOBS Act, 2012 for crowd-funding.

## Concluding,

Till now, India doesn't have provision of crowd funding but we can try keeping threats in mind.