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NATIONAL STARTUP DAY
Celebrating 10 years of Startup India

5th EDITION | NATIONAL REPORT

States' Startup Ecosystem Ranking

Celebrating 10 years of Startup India:
Igniting Innovation at Scale

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5th Edition of States' Startup Ecosystem Ranking

Celebrating 10 years of Startup India:
Igniting Innovation at Scale

PUBLISHED BY:
Startup India, Department for Promotion of Industry
and Internal Trade (DPIIT)
Ministry of Commerce & Industry
Government of India

पीयूष गोयल
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सत्यमेव जयते

वाणिज्य एवं उद्योग मंत्री
भारत सरकार
MINISTER OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA

FOREWORD

Launched in 2016 under the visionary leadership of our Hon'ble Prime Minister Shri Narendra Modi ji, the Startup India initiative set out to make India a land of opportunity for innovators, entrepreneurs and job creators. As we mark ten transformative years of Startup India, it stands as a reflection of focused policy action, cooperative and competitive federalism and the entrepreneurial spirit of Indians, advancing the vision of Viksit Bharat @2047.

Over the past decade, India has emerged as one of the world's leading startup ecosystems, with more than two lakh government-recognised startups across States and Union Territories. This growth reflects the combined efforts of entrepreneurs and States and Union Territories in creating startup-friendly ecosystems, supported by enabling regulatory, financial and institutional frameworks. Startups today are driving innovation across sectors, strengthening value chains, generating employment and contributing to an Atmanirbhar Bharat.

Launched in 2018 under the Startup India initiative by DPIIT, the States' Startup Ranking is a unique annual capacity-building exercise to assess the efforts of States and Union Territories in fostering a conducive startup ecosystem. It has encouraged policy innovation, improved the ease of doing business and extended entrepreneurship beyond metropolitan centres to Tier II, Tier III and rural regions. The fifth edition of the States' Startup Ranking reflects the evolving priorities of a maturing startup ecosystem, with a refined framework emphasising outcomes, sustainability and resilience, along with the introduction of new reform areas such as the identification of priority sectors by each State and Union Territory and strengthened physical and digital infrastructure, including incubators.

The participation of 34 out of 36 States and Union Territories underscores a shared commitment to building a future-ready startup ecosystem. As Startup India enters its next decade, States and Union Territories will play a pivotal role in nurturing innovation, supporting scale-ups and enabling global competitiveness. The Government of India remains committed to working with all stakeholders to strengthen policy frameworks, unlock new opportunities and build an innovation-driven India that addresses national priorities while delivering solutions of global relevance.

Piyush Goyal

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जितिन प्रसाद
JITIN PRASADA

वाणिज्य एवं उद्योग तथा
इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी राज्य मंत्री
भारत सरकार
Minister of State for
Commerce & Industry
and Electronics & Information Technology
Government of India

MESSAGE

The Startup India initiative, launched in 2016, has catalysed a significant transformation in India's entrepreneurial landscape. What began with a few hundred recognised startups has today grown into a nationwide ecosystem of over two lakh startups, shaping India's economic future. This journey reflects the aspirations and efforts of young entrepreneurs supported by strong and responsive institutional support that has enabled their growth and success.

The States' Startup Ranking Exercise has played a key role in this progress. By assessing the efforts of States and Union Territories to nurture local startup ecosystems, the Ranking promotes collaboration, healthy competition, and a shared commitment to supporting innovation. It helps identify effective practices on the ground, brings forward learnings from across regions, and supports evidence-based policymaking at the national level.

The fifth edition of the Ranking Framework builds on these efforts with a sharper focus on outcomes and measurable impact. It captures the evolving needs of startups, highlights policy and implementation innovations adopted by States and Union Territories, and documents practical steps being taken to make it easier for startups to start, scale, and succeed. Through workshops, consultations, and structured knowledge-sharing sessions, the exercise ensures that each State and Union Territory is better equipped with the tools and guidance needed to strengthen its support systems.

In parallel, the Government of India remains firmly committed to enabling entrepreneurship across all stages of the startup lifecycle. Initiatives such as the Startup India Seed Fund Scheme and the Fund of Funds for Startups have improved access to capital, encouraged innovation, and created new opportunities for aspiring entrepreneurs. The growing participation of women founders and the rise of startups from smaller towns, with nearly 52 per cent of startups now emerging from Tier II and Tier III cities, underscore the inclusiveness and reach of this movement.

This edition has also witnessed the highest participation to date in the States' Startup Ranking, with 34 States and Union Territories taking part, reflecting a strong collective commitment to strengthening India's startup ecosystem.

I congratulate all participating States and Union Territories for their dedication and continued efforts. Their work is instrumental in building a resilient, inclusive, and future-ready India. I am confident that the insights from this report will further strengthen collaboration and enhance support for our growing community of entrepreneurs.

(JITIN PRASADA)

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Amardeep S. Bhatia, I.A.S.
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भारत सरकार
वाणिज्य एवं उद्योग मंत्रालय
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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPTT. FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

FOREWORD

Over the past decade, the Startup India initiative has emerged as a key pillar of India's economic growth. What began in 2016 with just 502 recognised startups as a national mission to promote innovation and entrepreneurship has today evolved into a powerful movement, reshaping aspirations, institutions, and opportunities across the country. As Startup India completes a decade, the milestone of over 2,00,000 DPIIT-recognized startups stands as a landmark achievement, reflecting the scale, depth, and maturity of the Indian startup ecosystem.

2. This progress has been driven by the efforts made by the Central Government in partnership with the State Governments to create an environment which encourages entrepreneurship. Actions included creation of tinkering labs at schools, incubation centres linked to R&D laboratories, providing financing at various stages of development of a startup, and reducing burden of compliances on startups allowing them to focus on running their businesses. The interventions have helped India create the large number of job creators, who have established startups and contributed to employment generation, innovation-led growth, and inclusive development.

3. In this context, the States' Startup Ranking Framework has played an important role in serving as a learning-oriented mechanism to recognise administrative leadership, encourage continuous improvement, and encourage peer-to-peer learning among participating States and Union Territories. The fifth edition places greater emphasis on outcomes, sustainability, and effectiveness of policy interventions. It reflects the evolution of India's startup ecosystem and the need to focus on quality of support, ecosystem resilience, and long-term value creation.

4. The Framework's consultative and evidence-based approach is complemented by robust evaluation methodology, including quantitative and qualitative feedback from startups and ecosystem stakeholders. The assessment involved review of over 3,800 submissions received from participating States and Union Territories, encompassing nearly 26 lakh data points evaluated across 19 Action Points. The outcomes of the evaluation were deliberated through 12 Evaluation Committee meetings, with representations from over 33 organisations. The feedback mechanism involved outreach to over 1.3 lakh startup beneficiaries across the including the dissemination of 1.8 lakh emails and more than 9,000 telephonic interactions conducted in nine languages across 34 States and Union Territories. This approach has enabled incorporation of on-ground perspectives into the overall assessment.

5. I extend my appreciation to all key stakeholders for their valuable contributions to this journey. It is through this collective effort that Bharat will continue to unlock new frontiers of innovation-led growth, and shared prosperity.

13/01/2026

(Amardeep S. Bhatia)
13.01.2026

संजीव, भा.रा.से.
संयुक्त सचिव
SANJIV, IRS
Joint Secretary

सत्यमेव जयते

आज़ादी का अमृत महोत्सव

Government of India
Department for Promotion of Industry and Internal Trade
Ministry of Commerce & Industry
Vanijya Bhawan, New Delhi-110001

FOREWORD

The year 2026 marks ten years of the Startup India initiative, a decade that has brought a clear shift in how entrepreneurship is supported and enabled in the country. The initiative has strengthened entrepreneurial mindsets and laid a strong foundation for a nationwide startup culture. One of the clearest indicators of this shift is the evolution of State-level policies. In 2016, only four States had notified startup policies; today, 32 States and Union Territories have their own policy frameworks, supported by nodal departments, dedicated teams, and well-defined incentive mechanisms. This progress reflects the collaborative efforts of both the central and state governments to create an enabling environment for enterprise and innovation.

The States' Startup Ranking Framework (SRF) has been **a key instrument in advancing this progress**. Designed to bring structure, transparency, and comparability to State-led initiatives, the Framework has enabled States and Union Territories to benchmark their progress, identify gaps, and implement focused reforms. The fifth edition builds on this strong foundation with a sharper focus on outcomes and on how policy efforts translate into tangible benefits for startups on the ground.

This edition evaluates performance across six reform areas and nineteen action points, including Institutional Support, Infrastructure, Funding Opportunities, Market Access and Reach, Ecosystem Capacity Building, and Focus on Innovation and Sustainability. The assessment process incorporates documentary evidence, private ecosystem mapping, and a structured feedback survey. Notably, the feedback survey, accounting for 15 % of the overall score captures the perspectives of startups themselves and provides valuable insights into how government interventions are experienced in practice.

Capacity building remains a core pillar of the Framework. During this edition, three national capacity-building and knowledge exchange workshops were conducted in Kerala, Gujarat, and Nagaland for State Government officials, with participation from an average of 17 States per workshop. These engagements were focused on strengthening implementation capabilities across key reform areas. In addition, sensitisation programmes led by Startup India for state government officials further underscored the collective commitment to building robust and interconnected startup ecosystems.

The fifth edition has also witnessed the highest participation to date, with 34 States and Union Territories taking part in the exercise. This reflects a shared national commitment to building inclusive, innovation-driven economies and learning from best practices across regions.

As India enters the next decade of Startup India, the States' Startup Ranking will continue to play a critical role in guiding policy action, supporting coordinated implementation, and strengthening the foundations of the country's entrepreneurial ecosystem. I extend my sincere appreciation to all participating States and Union Territories acknowledge the contributions of all stakeholders involved in the successful completion of this edition.

(Sanjiv)

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1 A Decade of Startup India: From Vision to Vibrant Ecosystem

1.1 Genesis & Vision of 'Startup India'

The **Startup India initiative** is a flagship program of the Government of India announced by Hon'ble Prime Minister Narendra Modi in his Independence Day speech on August 15, 2015, and officially launched on January 16, 2016. Conceived under the Department for Promotion of Industry and Internal Trade (DPIIT), the initiative sought to support a robust startup ecosystem by introducing a dedicated action plan focusing on 3 core areas – Simplification and Handholding, Funding Support and Incentives, Industry-Academia Partnership and Incubation.[1]

Its genesis lay in the recognition that India's youth, technological talent, and expanding digital infrastructure could transform the nation from a job-seeking to a job-creating economy. Under the action plan, the initiative introduced various reforms and schemes including Startup India Hub, Compliance based on self-certification, Fund of Funds, Credit Guarantee Fund for Startups, Tax exemptions, Annual Incubator Grand Challenge, among various others in order to build a supportive environment that nurtures innovation across sectors and geographies.

[1] https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Action__Plan.pdf

The year 2025 marks a decade of the Startup India initiative since its launch in 2016, a milestone that reflects India's journey in building a vibrant and inclusive startup ecosystem. Over the past ten years, Startup India has played a key role in igniting innovation at scale by introducing marquee policy reforms & initiatives, strengthening institutions, and expanding opportunities for entrepreneurs.

1.2

India's Startup Decade

Milestones & Timeline Infographic

> "हिंदुस्तान का कोई जिला, हिन्दुस्तान का कोई ब्लॉक ऐसा न हो जहां आने वाले दिनों में नए स्टार्टअप शुरु न हुए हों। क्या भारत यह सपना नहीं देख सकता कि हम दुनिया में, स्टार्टअप की दुनिया में भारत नंबर एक पर पुहंचेगा, आज हम नहीं हैं। भाईयों और बहनों इस स्टार्टअप को मुझे बल देना है और इसलिए मेरा संकल्प है आने वाले दिनों में स्टार्टअप इंडिया और देश के भविष्य के लिये स्टैंडअप इंडिया!"

Hon'ble Prime Minister Shri Narendra Modi on the 69th Independence Day of India[2]
15th August 2015

2016

Launch of Startup India Action Plan:
Outlined 19 action points across simplification, funding, incubation, and industry–academia partnerships.

Self-Certification under 9 Labour and Environment Laws:
Reduced compliance burden for recognized startups.

Launch of Startup India Hub:
One of the World's largest virtual incubation platform

Startup Definition Formalized:
Recognized startups as entities up to 5 years old, turnover below INR 25 crore, and engaged in innovation or scalable business models.

[2] https://www.pmindia.gov.in/en/news_updates/english-rendering-of-pms-address-to-the-nation-from-the-ramparts-of-the-red-fort-on-the-69th-independence-day/

Tax Incentives Introduced:

3-year income tax holiday under Section 80-IAC of the Income Tax Act.

2017

Launch of International Bridges:

Startup India began its "International Bridges" programme, starting with Israel and Sweden, connecting Indian startups with global ecosystems[3]

Relaxation of Public Procurement Norms:

Startups allowed to bid for government tenders without prior experience or turnover criteria.

Funds of Funds for Startups (FFS) Operationalized

to mobilize funds for late stage startups

2018

Number of recognized startups:

A total of **8,625 startups** were registered under the Startup India initiative.[4]

Startup India Venture Capital Summit (Goa):

Promoted domestic and global investor connect.

Simplified Startup Recognition:

Online system integrated with PAN, MCA, and GST for quicker approvals.

Startup Runway on GeM Launched:

Enabled DPIIT-recognised startups to list and sell their products/services to government buyers[7].

Tax Exemption under Section 56(2)(vii)(b) of the Income Tax Act:

DPIIT-recognized Startups got exemption from Angel Tax on share premiums received from resident investors[6].

Startup India Yatra:

Nationwide bootcamp series across Tier-II and Tier-III cities to promote inclusivity.

Definition of Startup Revised:

Age limit increased from 5 years to 10 years, turnover threshold raised from **INR 25 crore to INR 100 crore.**

Launch of National Startup Awards (NSA):

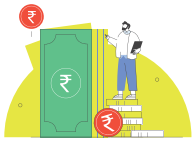
Annual recognition of outstanding startups and ecosystem enablers.

2019

1st States' Startup Ranking Released:

DPIIT launched the first-ever States' Startup Ranking on 6 Feb,2018 to benchmark and encourage state-level support for startups[5].

2020



Startup India Seed Fund Scheme (SISFS)

announced (INR945 crore corpus) to support ideation to proof-of-concept stages.

National Startup Advisory Council (NSAC)

constituted to advise the Government on ecosystem growth strategies.

Innovation & support during COVID-19:

During the COVID-19 pandemic, Indian startups rapidly innovated in healthtech, edtech, and logistics; the Startup India Initiative (SUI) supported them through funding, regulatory relaxations, and access to incubation and mentorship[8].

Virtual Innovation Challenges

launched to address COVID-19-related problems (like Aarogya Setu, CovidGrand Challenge).

Launch of 1st Shanghai Cooperation Organisation (SCO) Startup Forum:

Under the leadership of Hon'ble Minister of Commerce & Industry Shri Piyush Goyal and SCO Secretary General His Excellency Vladimir Norov, foundation for startup collaboration among SCO members was developed featuring 1 plenary session, 6 activity zones, and 11 activities held in English, Mandarin, and Russian, designed with augmented reality.

PostCOVID Surge in Recognised Startups:

After the COVID 19 period, the number of Department for Promotion of Industry and Internal Trade (DPIIT) recognised startups rose significantly from **14,498 in 2020 to 20,046 in 2021 and then to 26,542 in 2022**[10].

Startup Champions on Doordarshan launched:

The show — telecast in Hindi and English, was unveiled during the Prarambh: Startup India International Summit to spotlight India's top startup innovations[9].

2021

Hon'ble Prime Minister Shri Narendra Modi chaired "Prarambh" -

The Startup International Summit on January 15-16, 2021

Startup India Showcase & Innovation Week:

Virtual platforms to highlight innovative solutions.

3 https://www.startupindia.gov.in/content/sih/en/international.html
4 https://www.pib.gov.in/PressReleasePage.aspx?PRID=1913977&reg=3&lang=2
5 https://startuprecognition.dpiit.gov.in/uploads/other/event_report_launch_of_ranking_framework.pdf
6 https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1575771&reg=3&lang=2
7 https://theuniqueacademy.com/news/1903/gem-Startup-runway-and-swayatt-initiative
8 https://www.startupindia.gov.in/content/sih/en/covid-19_resource_section.html
9 https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Newsletter%20April-June_13072021_vf%20web.pdf
10 https://www.ibef.org/news/more-than-92-000-entities-recognized-as-startups-since-the-launch-of-startup-india

2022

Startup India Innovation Week (January 10–16):

Institutionalized as an annual national event for ecosystem collaboration.

MAARG portal (Mentorship, Advisory, Assistance, Resilience and Growth) launched

National mentorship platform by Startup India[11]

Shanghai Cooperation Organisation (SCO) Special Working Group (SWG) on Startups and Innovation established (proposed by India in 2020)

to boost economic growth and entrepreneurship across SCO members by encouraging collaboration in tech, innovation, and startups, acting as a key platform for knowledge sharing and developing joint ventures for regional development[12].

Notified the 'Credit Guarantee Scheme for Startups (CGSS)'

to provide guarantee against credit instruments extended to startups by Scheduled Commercial Banks, All India Financial Institutions (AIFI), Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs)

Launched ASCEND (Accelerating Startup Calibre & Entrepreneurial Drive) workshops

by Startup India across Northeast in November 2022

National Startup Day Announced:

The Government of India declared 16 January as National Startup Day to celebrate entrepreneurship and highlight the contributions of startups to India's economy[13]

Over 50 regulatory reforms have been undertaken by the Government to enhance ease of doing business, ease of raising capital and reduce compliance burden for the startup ecosystem[17].

Launch of Startup20:

Official engagement group initiated under the Indian presidency of the G20 2023 to act as the voice of the global startup ecosystem bringing together varied stakeholders on a common platform[16].

Launched "Women for Startups" initiative

wherein video podcast series - "SuperStree Startup India Video Podcast" was organized and capacity-building workshops were conducted, impacting over **1,300 women entrepreneurs** across 22 states and 24 districts, with **200 startups** pitching to investors and incubators[14, 15]

Introduction of Startup Credit Guarantee Scheme:

Enabled collateral-free loans up to INR10 crore.

India crossed **1 lakh+ startups** recognised by DPIIT.

2023

2024

Launch of 1st edition of Startup Mahakumbh:

Hon'ble Prime Minister Shri Narendra Modi launched Startup Mahakumbh which featured over **3,000 startups, 1,000+ investors and incubators, and 10,000+ delegates from 50+ countries**[18] .

Launch of Bharat Startup Knowledge Access Registry (BHASKAR):

Central hub where startups, investors, service providers, and government bodies can collaborate and exchange ideas.

Angel Tax Exemption Simplified:

DPIIT-recognized startups exempted under Section 56(2)(viib).

2025

India crossed **2 lakh+ startups** recognised by DPIIT – a major milestone[19]

Hon'ble Minister of Finance Smt. Nirmala Sitharaman announced **Fund of Funds for Startups (FFS) 2.0 during Budget 2025-26,** extending and scaling existing INR 10,000 Cr. FFS corpus with an additional INR 10,000 Cr. corpus to further boost funding for startups

PRABHAAV Factbook released:

The Department for Promotion of Industry and Internal Trade (DPIIT) formally launched the 9 Year startup ecosystem factbook capturing data from 2016– 2024[21].

Launched Bharat Startup Grand Challenge

for entrepreneurs in collaboration with **20 large corporations**[20] .

Launch of 2nd edition of Startup Mahakumbh:

Under the theme 'Startup India @ 2047: Unfolding the Bharat Story', the event highlighted disruptive innovations from across India, especially Tier 2 and 3 cities, with **2,923 exhibitors, 103,349 unique attendees, and over 2.5 lakh exhibition footfall.** It had **10 thematic tracks featuring 751 speakers, 211 curated sessions, 15,983 B2B meetings and participation from over 60 countries.**

[11] https://www.pib.gov.in/PressReleasePage.aspx?PRID=1878239&reg=3&lang=2
[12] https://www.startupindia.gov.in/santhali/content/sih/en/sco.html
[13] https://timesofindia.indiatimes.com/india/pm-modi-calls-startups-backbone-of-new-india-declares-jan-16-as-national-startup-day/articleshow/88914202.cms
[14] https://www.startupindia.gov.in/content/sih/en/super-stree-startup-india-video.html
[15] https://www.startupindia.gov.in/nsa2023results/women-led-innovation.html
[16] https://www.g20startup20.org/
[17] https://www.pib.gov.in/PressReleasePage.aspx?PRID=1945152&reg=3&lang=2
[18] https://startupmahakumbh.org/About-Startup-Mahakumbh.php#section1; https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2119100&reg=3&lang=2
[19] https://www.startupindia.gov.in/
[20] https://www.business-standard.com/industry/news/national-startup-day-2025-govt-launches-bharat-startup-grand-challenge-125011601293_1.html
[21] https://www.startupindia.gov.in/content/dam/invest-india/startup-milestone/FactbookJan25.pdf

1.3 Policy Milestones & Reforms over the Decade

Marking a transformative decade, the Startup India initiative has redefined India's innovation and entrepreneurship landscape, turning intent into impactful outcomes.

Over ten years, India has emerged as the 3rd largest startup ecosystem in the world,

promoting a culture of innovation that spans across sectors and geographies.

From just around 500 recognized startups in 2016, India today boasts

2.07 lakh DPIIT-recognized startups[22]

in 2025 – a 394X increase in less than a decade.

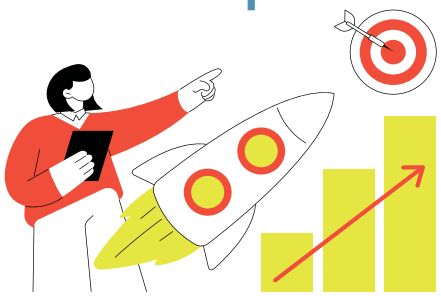
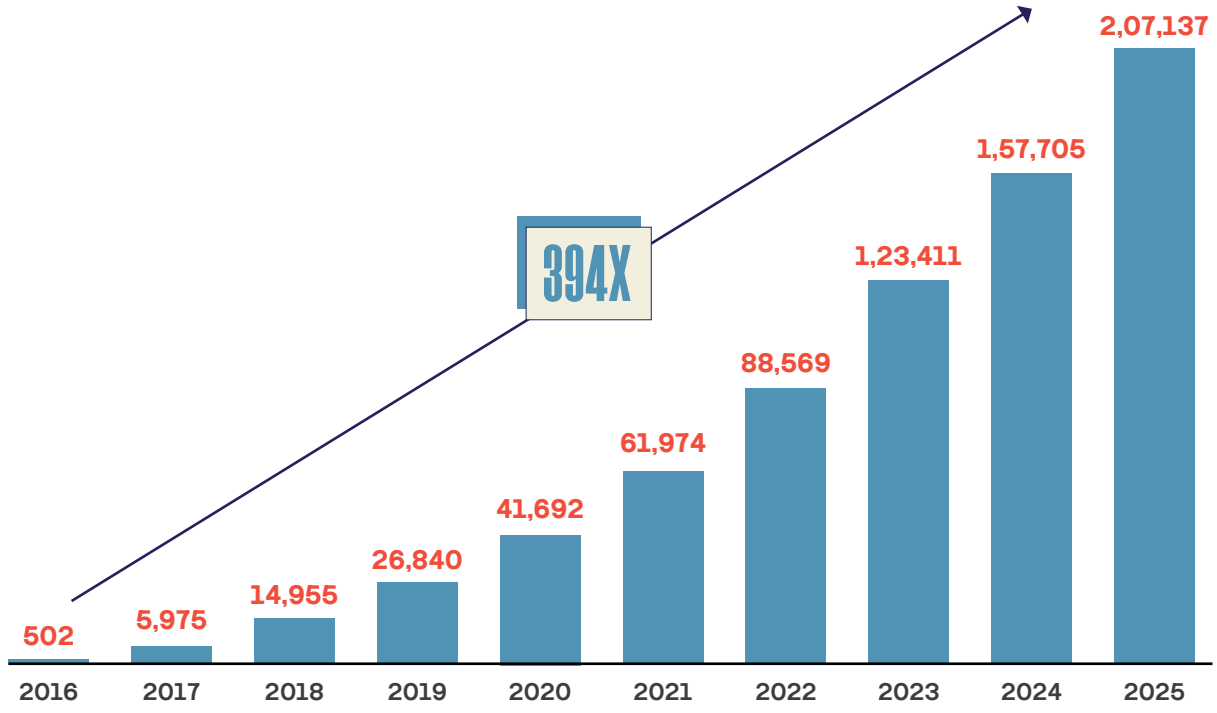


Figure 1: Year-wise number of Startups recognized by DPIIT



[22] Website of https://www.startupindia.gov.in/

These Startups, over a decade, collectively generated over **2.19 lakh jobs**.[23] Policy measures such as DPIIT recognition, faster incorporation, simplified compliance, self-certification, Section 80-IAC tax relief, angel tax abolished and easier exit mechanisms have streamlined the startup journey. The 'GeM Startup Runway' platform provides startups with a dedicated space to offer products and services to the Government. As of 30th June 2025, 31,948 startup suppliers are onboarded on GeM that have provided an order volume of 4,42,198 worth INR 41,690 crores[24]

@shutterstock

[23] Job-numbers are self-reported

[24] Startup India (DPIIT)

Figure 2: Jobs created by Startups in India

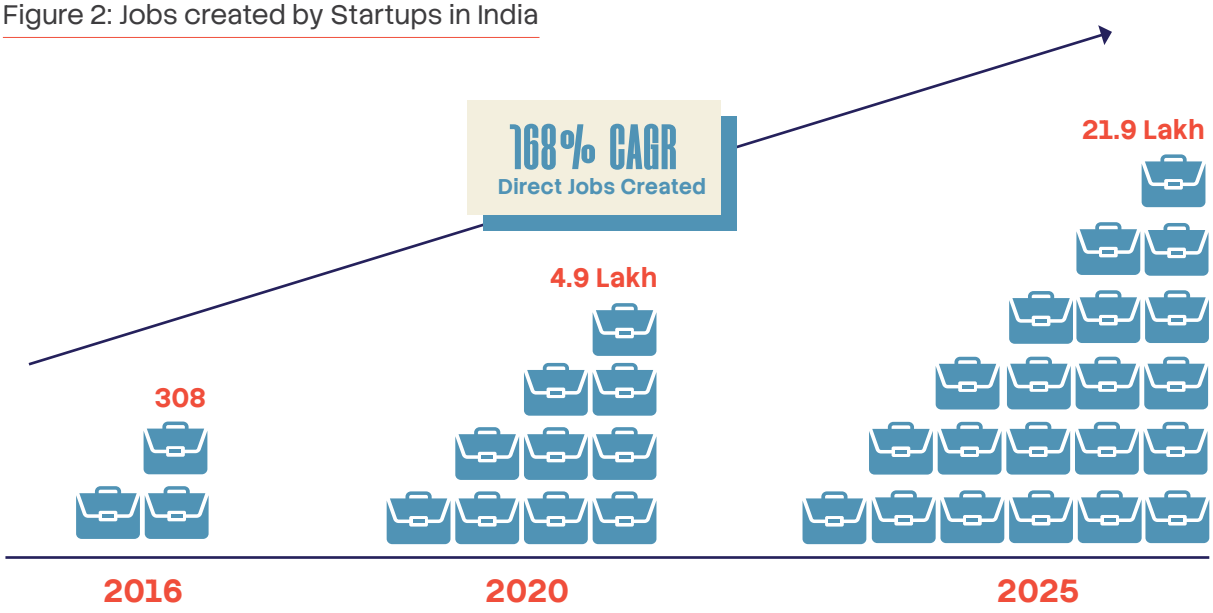
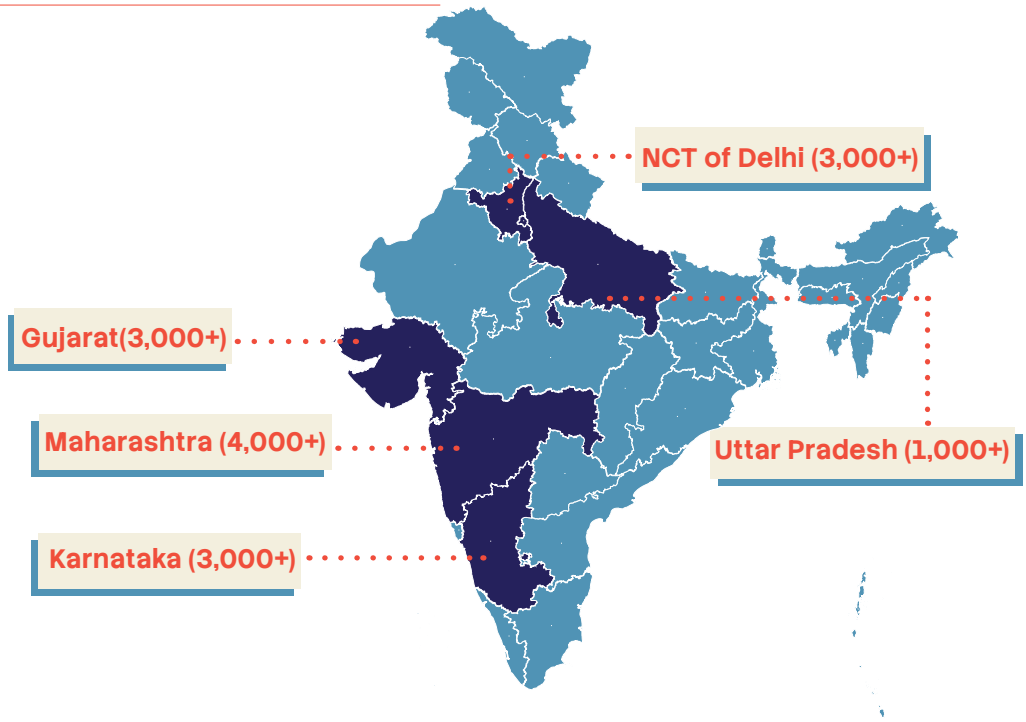


Figure 3: States with most issued certificates



Targeted funding initiatives like the Fund of Funds (FFS) and the Startup India Seed Fund Scheme (SISFS), along with market access through GeM, public procurement relaxations, and sandboxing have further strengthened the ecosystem.

In parallel, National innovation programs iDEX (defense), MeitY Startup Hub, DST Nidhi, BIRAC, In-Space complemented by state-level missions, have created a dense support network that reduced entry barriers, de-risked early stages, and expanded demand.

The result is a broad-based ecosystem spread across 770+ districts[25] , demonstrating the truly pan-India nature of this movement.

[25] As per the DPIIT database

THE BIG NUMBERS[26]

From Intent to Impact

2.07L
startups recognised by DPIIT. 94% CAGR (2016-2025)[27]

99,000+
Women-led Startups. 48X growth since 2017[28]

770+
Coverage of Districts by Startups in India[29]

1,400+
Number of Incubators, Accelerators[30]

5,400+
Number of Patented Startups[31]

68,000+
Number of Patents filed in 2024-25[32]

21.9L+
Job creation by Startups 33X growth since 2017

11 Jobs
created per startup

~900
Network of Mentors available for Startups[33]

[26] https://www.startupindia.gov.in/digital-map/maps | https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146928 | https://www.pib.gov.in/PressReleasePage.aspx?PRID=2170168 | https://inc42.com/features/indias-unicorn-club-the-comprehensive-list-of-unicorns-in-india/ | https://www.mospi.gov.in/number-women-led-Startups-recognized-dpiit-across-statesuts-during-2017-2025 | https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154686&ModuleId=3 | https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2042116 | https://sansad.in/getFile/loksabhaquestions/annex/184/AU1950_otJUvW.pdf?source=pqals

[27] Website of https://www.startupindia.gov.in/

[28] Startup India (DPIIT)

[29] Startup India (DPIIT)

[30] https://www.startupindia.gov.in/digital-map/maps

[31] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154686&ModuleId=3&reg=3&lang=2

[32] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2146928&reg=3&lang=2

[33] https://www.startupindia.gov.in/digital-map/maps

118+ Unicorns in India; 30X growth since 2014[34]

348+ Soonicorns in India (as of 1st Sep 2025)[35]

100 Startups on an average recognized per day in 2025

53% Startups from Tier 2 & Tier 3 cities[36].

56 Industries represented in Startups[37]

5 Multilateral engagements undertaken as part of global collaborations [38]

850+ startup beneficiaries from global collaborations[41]

20 International Bridges for startup exposure and support[39]

25 active countries in addition to bridge countries where startup cooperation is in play[40]

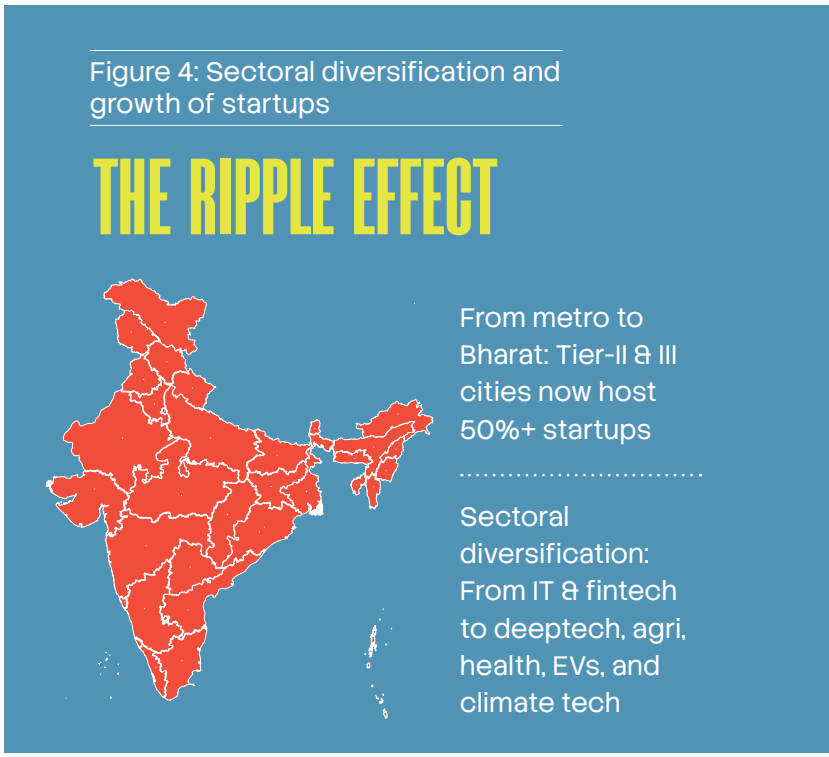
34 https://inc42.com/features/indias-unicorn-club-the-comprehensive-list-of-unicorns-in-india/
35 Tracxn Database
36 Startup India (DPIIT)
37 Startup India (DPIIT)
38 https://www.startupindia.gov.in/content/sih/en/international.html
39 https://www.startupindia.gov.in/content/sih/en/international.html
40 https://www.startupindia.gov.in/content/sih/en/international.html
41 https://www.startupindia.gov.in/content/sih/en/international.html

The innovation momentum continues to strengthen, with **68,000+ patents filed in 2024–25 and 5,400+ patented startups,** underscoring the country's growing emphasis on IP-led innovation.

Diversity and inclusion have also become defining features of this ecosystem, with **99,800+ startups led by women directors,** supported by **896 mentors** and more than **1,600 incubators and accelerators** across the country.[42]

This provides evidence that consistent, mission-oriented policy and capital intermediation can compound into jobs, innovation and global competitiveness at scale.

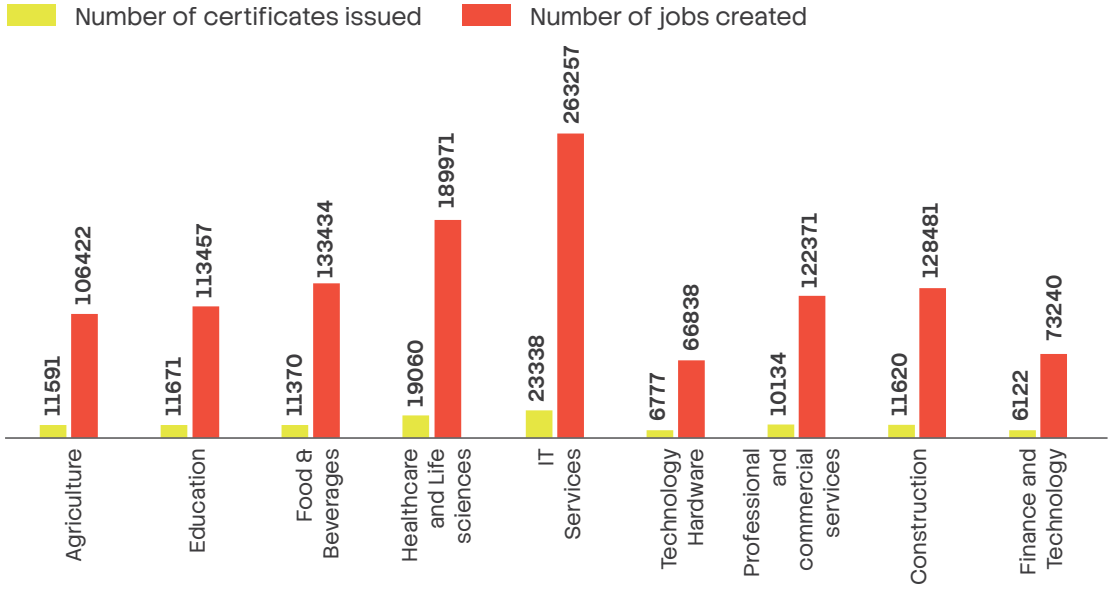
Figure 4: Sectoral diversification and growth of startups



1.4 DPIIT-recognized Startups across key industries

IT Services leading in number of DPIIT-recognized Startups (based on number of certificates issued), and number of jobs created as of October 2025[43] ; followed by Healthcare & Lifesciences, and Food & Beverages.

Figure 5: Number of DPIIT recognized Startups across key industries



[42] Startup India (DPIIT)
[43] Job-numbers are self-reported

2 A Pulse on India's Startup Ecosystem: Today's Trends and Tomorrow's Opportunities

2.1 Overview of Indian Startup Ecosystem

India's startup ecosystem has evolved into one of the most dynamic and diverse in the world, transforming from a handful of technology-focused ventures in the early 2000s into a nationwide innovation movement.

The Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry, has established a formal and uniform definition for 'startups' in India to ensure targeted policy support, regulatory clarity, and consistency in recognition across sectors and states. As per the official framework, the formal definition and eligibility criteria for startups are prescribed under the G.S.R. Notification 127(E) dated 19 February 2019[44], issued by DPIIT, the nodal department for startup recognition and policy formulation in India.

[44] https://www.argus-p.com/updates/updates/dpiit-notification-dated-19-february-2019-revised-definition-of-startup/

An entity is recognized as a startup if it meets the following criteria[45] :

STARTUP RECOGNITION

- Incorporated in India as a private limited company, registered partnership firm, or limited liability partnership (LLP)
- Has been in existence for less than ten years from the date of incorporation or registration.
- Has an annual turnover not exceeding INR 100 crore in any financial year since incorporation.
- Is working towards innovation, development, or improvement of products, processes, or services, or is a scalable business model with high potential for employment generation or wealth creation; and
- Is not formed by splitting up or reconstruction of an existing business.

The recognized startups operate across a wide range of sectors, from IT, fintech, and e-commerce to newer areas such as healthtech, agritech, and deep tech, reflecting India's transition toward a more knowledge-driven economy. Investment activity has picked up, with stronger venture capital and private equity participation, a growing domestic angel ecosystem, and universities increasingly acting as launchpads for innovation through incubators. Together, startups are playing an important role in creating jobs, driving technological progress, supporting regional development, and expanding digital access.

As the startup ecosystem matured, policy and institutional support from the Central Government have played a decisive role in shaping this growth trajectory through frameworks, schemes, and enabling policies that underpin India's startup revolution.

[45] https://www.startupindia.gov.in/content/sih/en/startup-scheme.html

2.2 Role of Central Government

The Government has shifted from passive regulation to active stewardship in shaping India's startup ecosystem through policy reforms, financing, infrastructure, and market creation. Its multi-pronged approach policy support, financial incentives, digital infrastructure, and institutional facilitation has encouraged a thriving environment. DPIIT, as the nodal department, streamlined regulations, launched funding schemes, and promoted ease of doing business, while sectoral ministries introduced targeted interventions. Together, these efforts provide startups with capital, mentorship, markets, and technology, laying the foundation for sustainable, inclusive growth.

2.2.1 Initiatives by Startup India DPIIT

All DPIIT-recognized startups are eligible for a wide array of benefits. Under the Startup India initiative, DPIIT has launched a wide array of schemes, platforms, and reforms aimed at nurturing a robust national startup ecosystem. They provide direct financial and infrastructural support and address the diverse funding needs of startups starting from ideation and seed support to growth-stage equity and debt access, and sectoral innovation grants.

Flagship Initiatives Instituted by Startup India over the Decade

1.

Tax Exemption under Section 80-IAC of the Income Tax Act

Section 80-IAC allows eligible startups to claim 100% profit deduction for any 3 consecutive years within 10 years of incorporation. Startups incorporated between April 1, 2016, and April 1, 2030, can apply by obtaining an IMB Certificate of Eligibility.

2. BHASKAR (Bharat Startup Knowledge Access Registry)

- BHASKAR is a unified digital platform connecting India's startup ecosystem for collaboration, knowledge sharing, and discoverability.
- It aims to be the world's largest digital registry, offering a unique BHASKAR ID for personalized, streamlined interactions that drive innovation and position India as a global entrepreneurship leader.
- Over 633,621 users have registered on BHASKAR, strengthening India's startup ecosystem.[46]

3. Fund of Funds for Startups (FFS)

- Launched in 2016 with a INR 10,000 crore corpus, FFS strengthens the startup ecosystem by channeling capital through SEBI-registered AIFs rather than directly investing in startups. Managed by SIDBI, FFS selects AIFs and oversees fund disbursement to improve access to domestic capital.[47]
- As of June 2025, INR 11,958 crores have been committed to 155 AIFs by SIDBI under FFS. A total of INR 7,286.29 crore has been released from DPIIT to SIDBI, out of which INR 6,221 crore has been disbursed to AIFs. The initiative has catalyzed investments amounting to INR 23,679 crore in 1,282 startups.

4. Credit Guarantee Scheme for Startups (CGSS)

- Launched in 2022, CGSS provides credit guarantees for loans to DPIIT-recognized startups through banks, NBFCs, and SEBI-registered Venture Debt Funds. Managed by NCGTC, the scheme now offers enhanced coverage, raising the per-borrower limit from INR 10 crore to INR 20 crore.[48]
- As on 31st October 2025, loans worth INR 755.25 crores have been guaranteed to 251 unique borrowers, i.e., Startups.

[46] https://www.startupindia.gov.in/bhaskar/about
[47] https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1895964
[48] https://www.startupindia.gov.in/content/sih/en/credit-guarantee-scheme-for-startups.html

5. Startup India Seed Fund Scheme (SISFS)

- The SISFS was launched by DPIIT on 19th April 2021 with a budget of INR 945 crore, is designed to support early-stage startups by offering financial assistance for activities such as proof of concept, prototype development, product trials, market entry, and commercialization.[49]
- As on 30th June 2025, 244 incubator applications have been approved so far by the EAC for support of INR 945 crores (including 5% management fees). The approved incubators have selected 2,942 startups and a total of INR 522.42 crores have been approved to these startups on the portal.

6. Startup India Investor Connect

- India Investor Connect, launched by DPIIT on March 11, 2023, is an AI-driven platform that connects startups with investors through intelligent matchmaking and a streamlined application process. It serves as a virtual marketplace for entrepreneurs to showcase ideas, engage multiple investors efficiently, and promotes transparency while expanding access to emerging cities for inclusive growth and innovation.
- A total of 9,612 startups have registered on the platform, along with 126 investors. So far, there are 44 active investment opportunities, and 6,793 startups have responded to these opportunities.[50]

[49] https://www.myscheme.gov.in/schemes/sisfs-fs
[50] https://investorconnect.startupindia.gov.in/

7. MAARG (Mentorship, Advisory, Assistance, Resilience, and Growth)

- MAARG launched by DPIIT under the Ministry of Commerce and Industry, is Startup India's National Mentorship Platform. It connects founders with academicians, industry leaders, entrepreneurs, investors, and experts for personalized guidance.
- Through MAARG, startups gain clarity on growth strategies, overcome challenges, and access practical advice to accelerate their journey.[51]

8. States' Startup Ranking Framework (SRF)

- SRF was launched by DPIIT in 2018, SRF is an annual benchmarking exercise that evaluates states and UTs on their efforts to build startup ecosystems.
- It drives policy reforms, best practices, and structured monitoring through five successful editions.

9. The National Startup Awards (NSA)

- NSA recognize startups and ecosystem enablers creating innovative, scalable solutions with high potential for employment, wealth creation, and social impact.
- Since 2020, NSA has honored top contributors through successive editions, featuring winners across diverse sectors and sub-sectors, driving excellence in India's startup ecosystem.

[51] https://maarg.startupindia.gov.in/

10. Government e-Marketplace (GeM) — Startup Runway

- GeM is India's public procurement platform promoting transparency and inclusivity. Its Startup Runway enables DPIIT-recognized startups to sell directly to government buyers without prior experience or turnover requirements.
- Benefits include EMD exemption, procurement preference, and free online registration, encouraging participation from startups, MSEs, and women entrepreneurs under preferential policies.[52]

11. Deferment of Tax Liability Pertaining to ESOPs

- The Finance Act 2020 allows eligible startups under Section 80-IAC to defer ESOP perquisite tax. Payment can be made within 14 days of the earliest of three events: four years after the relevant assessment year, sale of shares, or the employee leaving the startup.

12. Faster Exit for Startups

- The Ministry of Corporate Affairs classifies startups as fast-track firms, enabling them to wind up operations within 90 days instead of 180. Startups with simple debt structures or meeting prescribed criteria can close within 90 days of filing for fast-track winding up.

[52] https://gem.gov.in/

13. Self-Certification under Labor & Environment Laws

- Startups can self-certify compliance under nine labour and three environmental laws for a period of three to five years from incorporation.

14. Support for Intellectual Property Protection

- Under the SIPP scheme, startups can fast-track patent applications, paying only statutory fees while the government covers facilitator charges. They receive 80% rebate on patent filing fees and 50% on trademark filing fees, along with IPR advisory and international protection guidance.

15. Regulatory Reforms

- DPIIT engages continuously with startups, investors, and stakeholders to resolve regulatory issues, improve ease of doing business, facilitate capital raising, and reduce compliance burdens. Recommendations are shared with relevant departments to drive necessary reforms.

16. Relaxation in Public Procurement Norms

- DPIIT-recognized startups enjoy exemptions from prior turnover, prior experience, and earnest money deposit in Central Government procurements. They can also register as sellers on the Government e-Marketplace (GeM), India's largest e-procurement portal.
- As on 31st October 2025, 34,445 startups are onboarded on GeM portal that have received 4,86,776 orders worth INR 47,558 Crore.

17. Startup India Innovation Week

- A flagship event bringing together startups, investors, incubators, banks, policymakers, and global stakeholders to celebrate entrepreneurship and encourage innovation.

18. ASCEND

- Under ASCEND, sensitization workshops were conducted across all eight North Eastern States to build capacity, enhance entrepreneurial knowledge, and strengthen the regional startup ecosystem.

19. PRARAMBH — Startup India International Summit

- Held virtually on January 15–16, 2021, to mark five years of Startup India, the summit featured 200+ speakers from India and global ecosystems across 24 sessions on innovation, entrepreneurship, and best practices.

20. States/UTs Portal API Integration

- This initiative enables seamless data sharing between Startup India and State nodal agencies, eliminating duplicate submissions and auto-populating verified details from DPIIT recognition certificates.

21. Startup India Yatra

- Launched in 2017 to reach Tier 2 and Tier 3 cities, the Yatra identifies entrepreneurial talent and provides access to incubation and mentorship.
- It has covered 23 States, 236 districts, **impacted 78,346 entrepreneurs, and resulted in 1,424 incubation offers.**

22. Startup Mahakumbh

- The annual flagship event of India's startup ecosystem, supported by Startup India and DPIIT, encourage inclusive growth, innovation, and global collaboration aligned with Viksit Bharat@2047.
- The 2025 edition saw participation from **60+ countries and 30+ States/UTs.** The Startup MahaRathi Grand Challenge felicitated **293 high-impact DPIIT-recognized startups with funding, mentorship, and market access,** reinforcing India's position as a global innovation hub.

23. District Outreach — Grassroots Entrepreneurship

- DPIIT's District Outreach Initiative promotes entrepreneurship in Tier II, Tier III, and rural regions through targeted interventions and collaboration with State/UT officials. Coverage of districts without DPIIT-recognized startups has expanded from 80% (pre-April 2024) to over 95%, strengthening inclusivity in the startup ecosystem.

International Bridges & Alliances

@shutterstock

International Bridges & Alliances
Connecting Indian startups with global ecosystems remains a core pillar of the Startup India initiative. This objective has been advanced through Startup Bridges, international partnerships, and sustained engagement in global forums and events. As of 2025, Startup Bridges with 20 countries and strategic alliances with two others have been operationalized.

During 2025, 10+ incoming international delegations from Germany, Japan, Qatar, Saudi Arabia, Argentina, Chile, and Italy were hosted, including high-level representatives from governments and global investment institutions. Witnessed participation from 40+ Indian unicorns and soonicorns.

Led two key multilateral forums in 2025 - First-ever BRICS Startup Forum resulted in the launch of the BRICS Startup Knowledge Hub, while the SCO Startup Forum 5.0, held alongside the Startup Mahakumbh.

Besides, 10 outbound delegations to leading international startup events and innovation hubs across Asia, Europe, the Middle East, and Latin America witnessing participation of 70+ Indian startups participated through exhibitions, pitching sessions, and structured networking. Impact included signing of two international MoUs and global recognition for Indian startups, notably at Sushi Tech Tokyo 2025.

In addition, Startup India supported several high-level ministerial delegations led by the Hon'ble Minister of Commerce and Industry to key innovation destinations, ensuring strong representation of Indian startups at global business and innovation forums. Collectively, these international bridge-building efforts have strengthened India's global startup footprint, enhanced cross-border collaboration, and reinforced India's position as a leading innovation-driven economy.

24.

Memorandum of Understandings (MoUs)

- Startup India has signed MoUs with key stakeholders such as corporates, unicorns, funds and others to support early-stage startups in sectors such as manufacturing, etc. The aim is to empower product innovators and entrepreneurs across India. As of October 31, 2025, 140+ MOUs have been signed, of which 75+ MOUs have been signed with leading corporates.

Major Corporate Partners and Manufacturing incubator collaborators

25. Global Engagements

- Startup India has established 23 International Startup Bridges and Alliances, creating a landing platform for cross-border collaboration and market access.
- DPIIT spearheads global initiatives launched Startup20 under India's G20 Presidency, chairs SCO Startup Working Group, and hosts BRICS forums.

26. DPIIT Startup's delegations at Global Events

- DPIIT has facilitated participation of Indian startups at various global events including SWITCH Singapore, Biban Saudi Arabia, Slush Finland, Viva Tech France, among others.

27. Shanghai Cooperation Organization Startup Engagements (SCO)

- SCO established in 2001, created a Special Working Group on Startups and Innovation at the 2022 Samarkand Summit, an initiative proposed by India. In 2023, India became the permanent chair, leading programs to empower SCO startup ecosystems through mentoring, investor access, and cross-border engagement.

28. Bharat Startup Grand Challenge (BSGC)

- Under BSGC, DPIIT approved 75+ grand challenges as of 30 November 2025, in line with the target to launch 75 challenges by January 2026. Of these, 16 challenges have been concluded, 29 are ongoing, and 33 are in the pipeline.
- 60 startups have been selected as winners across concluded challenges, the majority being DPIIT-recognised.
- Partner organisations have committed more than INR 15 crore in cumulative support, including cash prizes and grants, incubation and acceleration support, mentorship, digital and cloud credits, pilot opportunities, and go-to-market assistance.

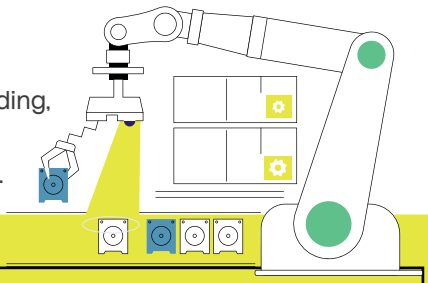
Startup India has also engaged with various Government Departments and Corporates for assisting them in **launching startup challenges** in various sectors and domains. A few examples are shared below:

1 Manufacturing Accelerator Program

The program was launched on 30 January 2025 by Startup India, DPIIT, and HDFC Bank under the Bharat Startup Grand Challenge to boost innovation and global competitiveness in manufacturing.

Winning startups can receive grants of up to

₹40 lakhs equity funding, and other incentives.



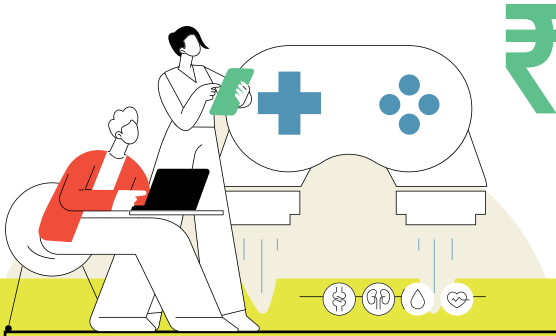
2 Gaming for Good- Powering Healthcare

It was introduced on 11 February 2025 by Winzo Games in collaboration with Startup India and DPIIT to harness gaming for healthcare solutions.

One winner received INR 1 lakh and access to Winzo's

₹400 crore fund.

The challenge concluded during Startup Mahakumbh 2025.



3

Bharat Startup Grand Challenge with Stride Ventures

Launched on 21 February 2025, focusing on sustainable recycling, e-mobility, and carbon-neutral technologies.

A woman-led startup secured debt/equity funding of up to

₹15 crore

Concluded at Startup Mahakumbh 2025.

4

Flipkart Tourism Challenge

Released on 17 April 2025 to enhance travel discoverability, affordability, and experiences.

Winners received

₹2.5 lakh & ₹1 lakh,

along with mentorship. The results were announced on 24 June 2025.

5

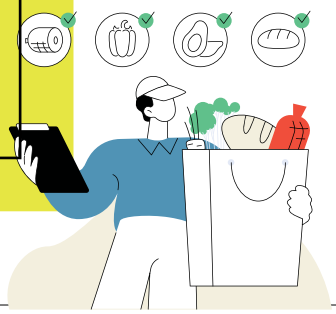
Zomato Packathon Challenge

Launched on 1 February 2024 to develop plastic-free food delivery packaging solutions.

The top three startups won

₹10 lakhs, ₹5 lakh & ₹3 lakh,

while others received mentorship. Over 100 participants attended the showcase event.



Startups competed for

₹24 lakh in cash prizes, **₹15 lakh** in incubation support,

with Atal Innovation Mission onboarded as an incubation partner.

8 Textiles Innovation Challenge

Launched on 28 Feb 2024 by the Ministry of Textiles in partnership with Startup India to drive innovation in the textiles sector. Focus areas included supply chain efficiency, sustainable materials, and textile recycling.

The award ceremony at Vanijya Bhawan featured government officials and industry leaders. Winners received cash grants, market access, and mentorship, accelerating India's green innovation journey.

7 Avaana-Startup India ClimateTech Grand Challenge

Hosted under Startup India's CleanTech sector, this challenge attracted

400+ applications

from 25 States and Union Territories. Twelve finalists pitched to a Grand Jury comprising eminent personalities.

6 NXP India Tech Startup Challenge

Launched on 19 February 2024, the fourth edition of the challenge was conducted in collaboration with Startup India.

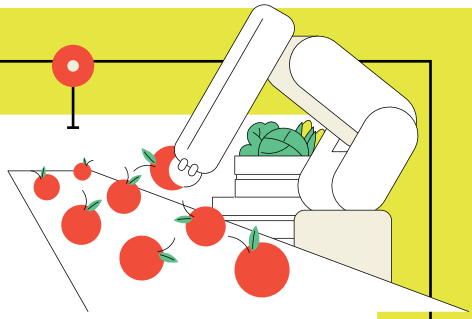
Four DPIIT-recognized startups received a cumulative prize of

₹11 lakhs,

along with mentorship and access to potential investors and partners within the NXP network.

9 Food Processing Startup Grand Challenge 2.0

Launched on 21 Jun 2024 by the Ministry of Food Processing Industries with Startup India to generate innovative ideas, identify barriers to adoption, and enable collaboration with industry experts.

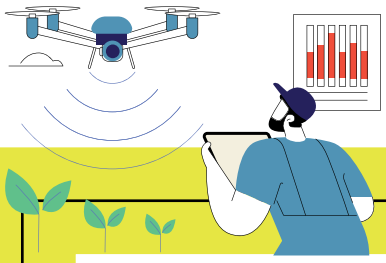


Winners received incubation and acceleration support through NIFTEM.

10 NavIC Grand challenge

Launched on 15 Aug 2022 by DPIIT and ISRO to develop indigenous NavIC-enabled drones for farm damage assessment and data processing.

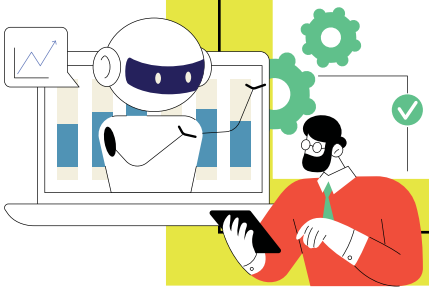
Selected startups received technical guidance from ISRO experts.



11 Google AI Startup School

Conducted from 20 Aug to 11 Oct 2024 in partnership with Startup India, DPIIT, and MeitY Startup Hub.

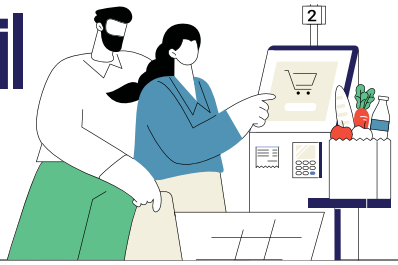
The program equipped early-stage founders with tools to build AI-powered businesses through virtual sessions, expert panels, and fireside chats covering AI, Gen AI, Cloud, and ad technologies



12 ET Retail Awards

The Startup Kick-off Pitch featured six DPIIT-recognized retail-tech startups, with NutsMojo winning and engaging with Fluid Ventures for potential funding of INR 50–75 lakhs.

At the 4th E-commerce and Digital Natives Summit held on 4–5 September 2024 in Bengaluru, ET Retail partnered with Startup India for a series of key engagements.



16

Startup Grand Challenge in Silk sector

Launched on 10 December 2024, the Startup Grand Challenge in Silk Sector, conducted by the Central Silk Board (CSB), Ministry of Textiles in collaboration with Startup India and DPIIT, aimed to address two real-time challenges in the silk industry.

Two winners per problem statement were selected, and the results were announced during the Bharat Tex Program in February 2025.

The winners were announced during the Bharat Tex Program in February 2025

Launched on 10 December 2024, the Wool Innovation Challenge, conducted by the Central Wool Development Board (CWDB), Ministry of Textiles in collaboration with Startup India and DPIIT, aimed to address real-time challenges in the wool industry.

15

Wool Innovation Challenge

14

Jute Technological Innovation Grand Challenge 2024

Launched on 5 Dec 2024 by the National Jute Board with Startup India and DPIIT to address real-time challenges in the jute industry.

Winners were announced during Bharat Tex 2025.

13

Yoga Tech Challenge 2024

Organized by the Ministry of Ayush with Startup India to create tech solutions enhancing yoga practice through tracking, personalized guidance, and immersive experiences.

Winners received **₹75,000, ₹50,000 & ₹25,000** respectively.

Startup India also joined a panel on AI-driven customer journeys and participated in the eDNA Awards jury on 27 Aug 2024 to shortlist top e-commerce platforms and brands.

2.2.2 Regulatory Reforms

Over the past few years, the Government of India has undertaken **63 key regulatory reforms to strengthen and streamline the startup ecosystem.** These reforms aim to simplify compliance, enhance ease of doing business, and encourage innovation-driven entrepreneurship. By addressing critical areas such as taxation, funding, intellectual property, and operational flexibility, these measures create a more enabling environment for startups to grow, scale, and contribute to India's economic and technological advancement.

A detailed list of the 63 key regulatory reforms undertaken to strengthen the startup ecosystem is provided in Annexure.

2.2.3 Initiatives by Other Ministries / Departments

Figure 6: Initiatives undertaken by Ministries/Departments

Innovation for Defense Excellence

- Launched by the Ministry of Defence, implemented through Defence Innovation Organization (DIO).
- It aims to create a strong ecosystem for defence and aerospace innovation by engaging MSMEs, startups, individual innovators, R&D institutions, and academia.

Technology Development Fund

- Launched in 2016; an initiative under the Ministry of Defence.
- TDF promotes MSME and startup participation to build an innovation-driven ecosystem and strengthen indigenous capabilities in advanced defense technologies.

IN-SPACe Seed Fund Scheme

- The scheme supports early-stage space start-ups and MSEs developing innovative space-based solutions across upstream, midstream, and downstream segments.
- Offers up to INR 1 Cr. in milestone-based funding, along with mentorship, training, and networking.

TIDE 2.0 (Technology Incubation and Development of Entrepreneurs)

- An initiative by the Ministry of Electronics and Information Technology (MeitY).
- It aims at fostering technology-driven entrepreneurship in India. The program provides financial and technical support to ICT startups working in emerging technologies.

The Atal New India Challenge (ANIC) 2.0

- is a flagship initiative by the Atal Innovation Mission (AIM) under NITI Aayog
- Aimed at promoting technology-driven innovations that address critical national and societal challenges. Its dual focus is on productization and commercialization.

Gen-Next Support for Innovative Startups

- Launched by the Ministry of Electronics and Information Technology (MeitY) in 2023 with INR 490 crore budget for a five-year period.
- Designed to support startups in Tier-II and Tier-III cities, fostering collaboration among startups, government, and corporates.

GREAT Guidelines under NTTM

- The Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT) launched in August 2023 under the Research, Development, and Innovation component of the National Technical Textiles Mission (NTTM).

Ministry of Textiles
National Technical Textiles Mission

The Digital Communication Innovation Square (DCIS)

- DCIS is an initiative launched in 2021, by the Department of Telecommunications (DoT) under the Champion Services Sector Scheme (CSSS)
- It provides financial assistance to startups and MSMEs for developing and commercializing digital communication technologies.

दूरसंचार विभाग
Department of Telecommunications

National Initiative for Developing and Harnessing Innovations

- The Department of Science and Technology (DST) launched the NIDHI in 2016
- It aims to nurture knowledge-based and technology-driven ideas into successful startups.

भारतीय विज्ञान, प्रौद्योगिकी और नवाचार पोर्टल
India Science, Technology and Innovation Portal

Biotechnology Industry Research Assistance Council

- The Department of Biotechnology, through Biotechnology Industry Research Assistance Council (BIRAC), supports and nurtures startups via flagship programs such as BioNEST, SEED Fund and others
- BIRAC has established 75 incubation centers across 21 States/Uts.

Rashtriya Krishi Vikas Yojana

- Under RKVY-RAFTAAR, the Department of Agriculture launched the Innovation and Agri-Entrepreneur Development Program to fund startups
- To strengthen incubation in areas like agro-processing, food tech, value addition, AI, IoT, blockchain, and digital agriculture.

Next Generation Incubation Scheme

- This scheme aims to support innovative start-ups focused on software product development, including embedded electronics, through a pan-India approach. It emphasizes nurturing start-ups from 12 Tier-II cities.

AAI Startup Initiative - Innovate for Airports

- AAI has launched the Innovate for Airports program, giving startups the chance to co-create airport-specific solutions and pilot them nationwide.
- Selected startups receive funding and mentorship. Focus areas include Logistics, Airport Operations, IT & Data Analytics, Renewable Energy, Security, Robotics, Air Navigation Systems, and Passenger Experience.

AAI Startup Policy 2024

- AAI Startup Policy 2024 accelerates AI-driven innovation by offering funding, mentorship, and infrastructure for startups.
- It expands the previous policy to enhance collaboration across AAI departments and engage with startups, aiming to build a world-class aviation startup ecosystem and foster innovation and entrepreneurship.

2.3 Growth Beyond Metro Hubs – Tier-II and Tier-III Startups

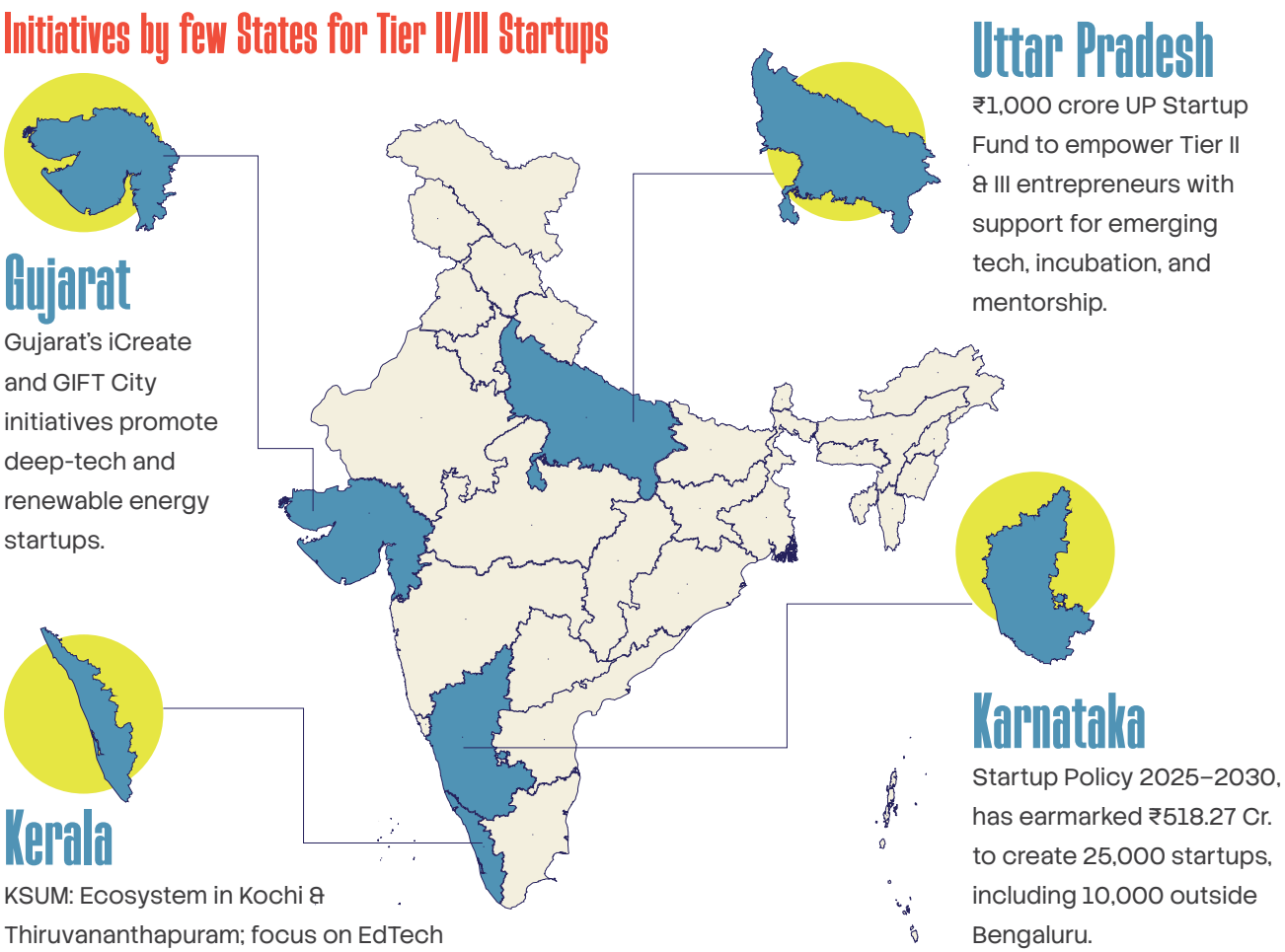
According to the Vibrant Startup Ecosystem Survey, 45% of India's startups now originate from Tier II and III cities. Over 13,000 operate in advanced domains like AI, IoT, robotics, and nanotechnology. Since 2016, Indian startups have filed 12,000+ patent applications, and 135 Alternative Investment Funds have invested INR 18,000 crore by 2024. Initiatives like the Bharat Startup Knowledge Access Registry are encouraging collaboration, marking a shift from metro-centric innovation to distributed entrepreneurship across 770+ districts.[53]

While Bengaluru, Hyderabad, Mumbai, and Delhi-NCR remain key hubs, Tier II and III cities are emerging as innovation centers, driven by better connectivity, digital infrastructure, and an entrepreneurial mindset. Supported

[53] https://www.startupindia.gov.in/content/dam/invest-india/startup-milestone/FactbookJan25.pdf

by Startup India, this shift is reshaping the innovation landscape. To promote balanced growth, the Government has launched **GENESIS**[54] (tech ventures beyond metros), **PMEGP**[55] (rural and semi-urban entrepreneurship), and **NIDHI**[56] (incubator support for innovation-led enterprises). Together, these initiatives expand startup opportunities across diverse geographies. Several states have launched ambitious initiatives to accelerate this trend.

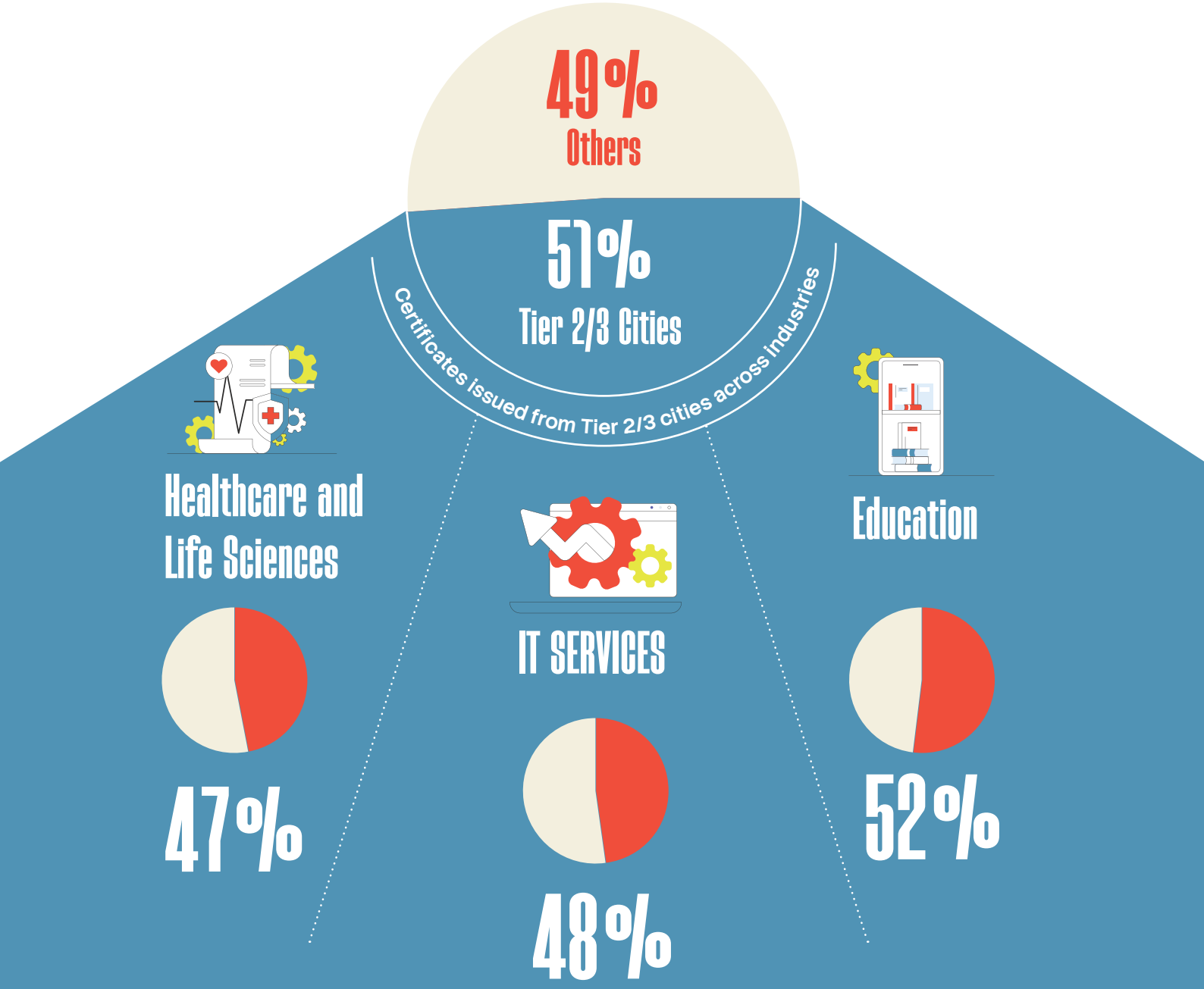
Figure 7: Initiatives by States for Tier II/III Startups



Decentralization is reinforced by targeted innovation infrastructure and policies for Tier II and III cities. NITI Aayog's May 2025[57] report on medium enterprises underscores their role in driving jobs and economic activity. The Digital India mission strengthens startup ecosystems through BharatNet broadband, UPI-enabled digital payments, and GeM for small-town sellers. Educational institutions also play a key role, with 10,000+ Atal Tinkering Labs[58], Atal Incubation Centres, and partnerships with IITs, NITs, and state universities anchoring innovation in emerging hubs.

[54] https://msh.meity.gov.in/schemes/genesis
[55] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2038380
[56] https://www.indiascienceandtechnology.gov.in/listingpage/startup-grants-nidhi-programme
[57] https://www.niti.gov.in/sites/default/files/2025-05/Designing-a-Policy-for-Medium-Enterprises.pdf
[58] https://www.niti.gov.in/sites/default/files/2021-09/The-Role-of-Digital-Infrastructure-in-socio-economic-development-042021.pdf

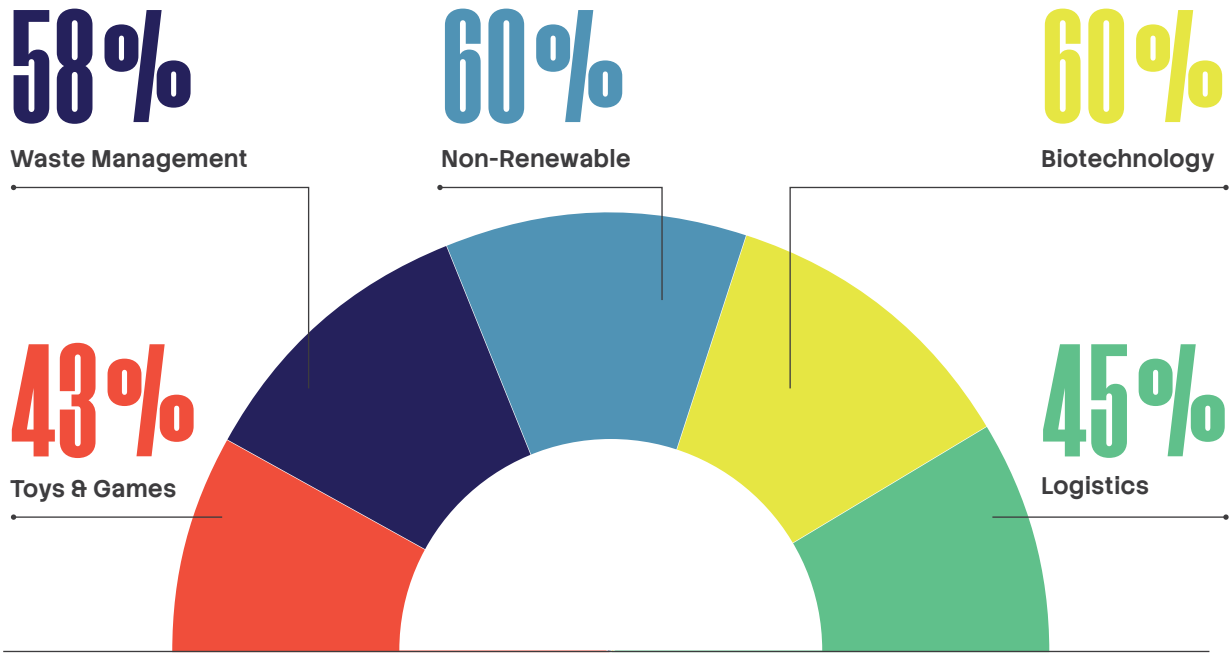
Figure 8: DPIIT Startup Recognition Certificates issued from Tier 2/3 Cities across Industries



Decentralized innovation is evident in sectoral trends across Tier II and III cities. In healthcare and life sciences, 47%[59] of startups focus on telemedicine, affordable medical devices, and digitizing traditional medicine driven by lower costs, local insights, and alignment with government initiatives. Education has seen similar growth, with 52%[60] of startups (over 9,200 ventures) based in smaller cities, fueled by the National Education Policy, digital literacy programs, and vernacular solutions.

[59] https://www.startupindia.gov.in/content/dam/invest-india/startup-milestone/FactbookJan25.pdf
[60] https://www.startupindia.gov.in/content/dam/invest-india/startup-milestone/FactbookJan25.pdf

Figure 9: DPIIT Startup Recognition Certificates issued from Tier 2/3 Cities – Changemaker Industries



Waste management and biotechnology are emerging as key growth drivers in Tier-2 and Tier-3 hubs. Waste management startups (58%) from these cities grew 55-fold between 2020 and 2024, driven by initiatives like Swachh Bharat and Smart Cities Mission. Biotechnology startups, with 60% representation and 17-fold growth, are delivering region-specific agri-biotech solutions supported by state universities and research centers. These trends reflect the growing innovation capacity of smaller cities to address local challenges and create new economic opportunities.

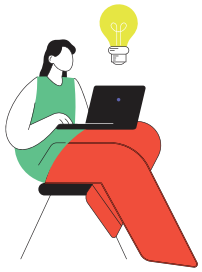
2.4 Women Entrepreneurs & Inclusive Startups

India's startup decentralization is paired with a strong push for inclusivity, especially empowering women entrepreneurs. To address barriers like limited access to finance, mentorship, and markets, the government has launched targeted initiatives promoting equitable participation. These efforts aim to unlock entrepreneurial potential in Tier II/III cities and rural regions, driving broader socio-economic development.

Recent government data reflects a significant rise in women-led startups. As of December 2024, 75,935[61] recognized startups had at least one-woman director up from 55,816 in 2023 representing 48% of all startups[62]. This marks a dramatic shift from minimal representation in 2016. These ventures have collectively generated over 12.42 lakh direct jobs[63], with substantial female workforce participation.

Women entrepreneurs are active across all

56 Government recognized sectors



including Information Technology, Healthcare & Life Sciences, Education & Skill Development, Professional Services and Social Impact.

Geographically, over 50%[64] of women-led startups are based in Tier-2/3 cities, with growing rural integration through Self-Help Groups (SHGs). State-wise distribution shows widespread participation, though with varying levels of concentration.

Figure 10:Flagship schemes

To support this momentum, several flagship schemes have been implemented which includes:

1

STAND UP India
Endeavour and prosper

Stand-Up India Scheme

As of January 27, 2025, the Scheme has benefited 1,94,804 women entrepreneurs, 49,031 entrepreneurs belonging to the SC category, and 15,962 entrepreneurs from the ST category.

2

Pradhan Mantri mudra Yojna

Pradhan Mantri MUDRA Yojana

As of March 2025, 5.46 crore PMMY loans were sanctioned in FY 2024–25, with 59.8% (3.27 crore) to women entrepreneurs. Of ₹5,52,802 crore sanctioned, women received ₹2,08,234 crore (~37%), with nearly the same amount disbursed.

[61] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/mar/doc202537515101.pdf
[62] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024116299301.pdf
[63] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024116299301.pdf
[64] https://static.pib.gov.in/WriteReadData/specificdocs/documents/2024/jan/doc2024116299301.pdf

3

WOMEN ENTREPRENEURSHIP PLATFORM

wep

Women Entrepreneurship Platform

The WEP portal connects a vibrant network of 91,950+ women entrepreneurs, supported by 811+ mentors, 835+ government initiatives, and 48+ partners.

4

ATAL INNOVATION MISSION

Atal Innovation Mission (AIM)

30% of AIM-supported startups are women-led; 2.5 million students participate in Atal Tinkering Labs with gender-balanced representation; women mentors are actively engaged.

5

एसटीपीआई STPI

STPI Women Entrepreneurship

44% of STPI-supported startups are women-led, with a strong focus on IT services and digital exports.

Bolstering inclusivity and diversity in startup ecosystem

India's inclusive startup vision goes beyond gender equity to embrace communities that have historically had limited representation, including rural and tribal populations. The government is encouraging entrepreneurship through targeted schemes, financial instruments, and grassroots innovation, ensuring equitable access across regions and diverse social groups.

- The **AssisTech Foundation** further accelerates disability-inclusive innovation by supporting ventures that integrate social entrepreneurship with sustainable development. Impact metrics include both social and environmental outcomes, ensuring holistic evaluation of success[65].

- The establishment of **Atal Community Innovation Centres (ACICs)** in tribal regions, aspirational districts, and underserved communities fosters local problem-solving through community-driven innovation. Operating on a public-private partnership model, ACICs promote inclusive participation and regional entrepreneurship[66].

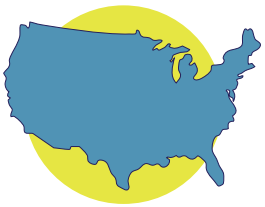
- Initiatives like the **Aakanksha Brand** consolidate traditional products from 500[67] aspirational blocks under a unified identity, aligning with the "Vocal for Local" movement. By providing modern market access to regional craftsmanship, these efforts enhance livelihoods and strengthen local economies.

[65] https://www.undp.org/india/press-releases/youth-colab-national-innovation-challenge-2024-25-launched-aim-and-undp
[66] https://www.pib.gov.in/PressReleasePage.aspx?PRID=1521268
[67] https://www.niti.gov.in/sites/default/files/2025-02/Annual Report 2024-25 English_FINAL_LOW RES_0.pdf

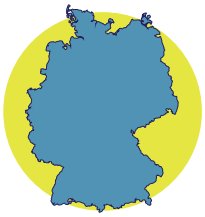
2.5 Global Trends & Opportunities for India

India has established itself as a global hub for startups, supported by a strong digital foundation, a vast talent pool, and progressive policies. A growing culture of innovation, active investor participation, and government initiatives like Startup India have created an enabling ecosystem that nurtures entrepreneurship and drives new-age business growth.

2.4.1 Global Trends & Opportunities for India

Region	Key Focus Areas	Opportunities for India
 United States	• Generative AI and deep tech attracted USD 33.9B in private investment in 2024[68]. • The SBIR and STTR programs provide USD 4–5B annually in non-dilutive funding[69].	These create strong pathways for India–US co-innovation and pilot projects.
China	• China leads EV and battery production, with over 70% of global EV batteries and electric-car output in 2024[70] focusing on LFP and NMC chemistries.	India can become a secondary source for components, collaborate on recycling and CAM development, and pursue JVs, tech transfers, and roles in global OEM supply chains.
Singapore	• Singapore, an ASEAN launchpad, recorded 117 fintech deals worth USD 523 million in first half of 2024. It hosts numerous fintechs with active sandboxes.[71]	These resources can accelerate India's fintech growth and enable cross-border payment innovations.

[68] https://hai.stanford.edu/ai-index/2025-ai-index-report/economy
[69] https://www.sbir.gov/sites/default/files/SBA_FY22_SBIR_STTR_Annual_Report.pdf
[70] https://www.iea.org/commentaries/the-battery-industry-has-entered-a-new-phase
[71] https://kpmg.com/sg/en/media/press-releases/2024/08/singapore-fintech-deal-activity-rises--crypto---payments-lead-fu.html

Region	Key Focus Areas	Opportunities for India
 Germany	• Germany is Europe's largest robotics market with ~27,000 factory robot installations in 2024, driving Industry 4.0 adoption[72].	The demand for automation creates opportunities for Indian startups specializing in Industry 4.0 software, IoT sensors, and system integration, as German manufacturers seek cost-effective, high-quality digital solutions to improve efficiency and meet EU sustainability targets.
Israel	• Israel remains a global hub for deep tech and defense exports, reporting USD 14.7 B in defence exports in 2024[73].	The country's strengths in cybersecurity, edge AI, autonomous systems, and dual-use technologies align well with India's interests. Building on the India-Israel Vision on Defence Cooperation signed in June 2022, to deepen collaboration in R&D and co-production of future technologies.

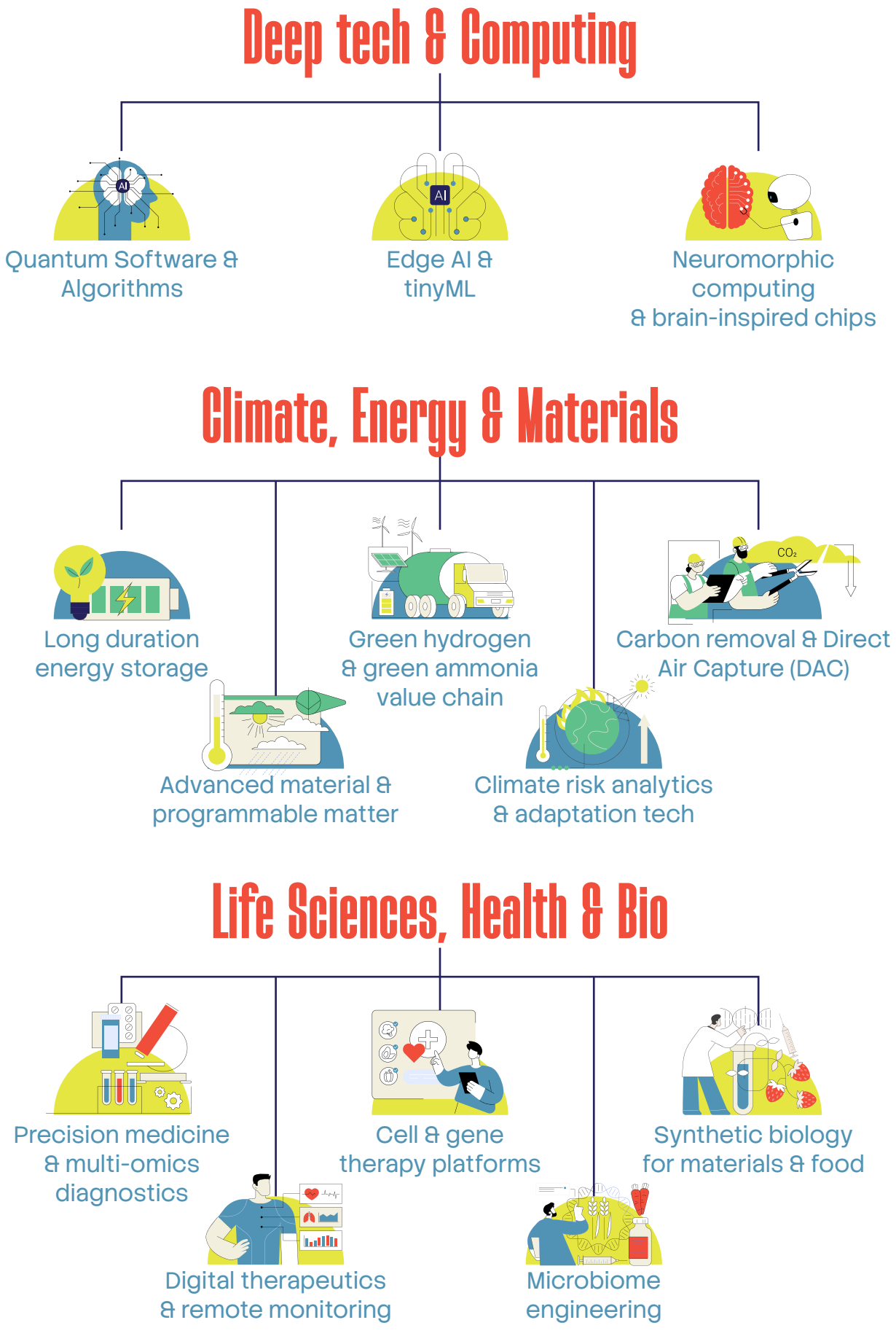
The global startup landscape offers India a chance to become a co-innovation hub. By aligning with trends in deep tech, sustainability, and digital transformation, and partnering with ecosystems in the US, China, Singapore, Germany, and Israel, Indian startups can access new markets, attract capital, and integrate into global value chains. With strong policy support and investor confidence, India is poised to evolve from a startup hub to a global innovation leader.

2.4.2 Emerging Sectors & Niche Areas

India's startup ecosystem is entering a new growth phase, with young enterprises driving innovation in emerging sectors. Over the next decade, startups will develop solutions in deep tech, green energy, biotechnology, digital health, and advanced manufacturing. Rising areas like electric mobility, space tech, AI, and circular economy practices are gaining momentum. These sectors create opportunities for entrepreneurship and investment while advancing India's goals of sustainable growth, job creation, and global competitiveness.

[72] https://ifr.org/ifr-press-releases/news/global-robot-demand-in-factories-doubles-over-10-years
[73] https://breakingdefense.com/2025/06/israeli-defense-exports-hit-record-14-7-billion-despite-regional-conflicts/

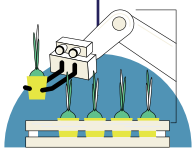
Figure 11: Emerging and Niche Sectors



Food, Agriculture & Supply Chains

Alternative proteins & precision fermentation

Cold-chain & last-mile perishables logistics



Agri-tech: regenerative & precision agriculture

IoT & Smart Irrigation

Mobility, Transport & Logistics

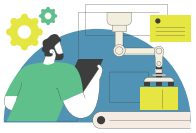
Electric aviation & enabling systems

Autonomous systems for logistics

Mobility as a service & multimodal platforms

Space & Frontier Tech

Small-sat services & space data platforms



In-space manufacturing & servicing

Finance & Governance

Programmable finance & Digital Currency

On-chain compliance & AML for digital assets

Decentralized identity & verifiable credentials

Urban, Built Environment & Industry 4.0

Smart buildings & distributed electrification

Circular economy platforms & materials traceability

Industrial digital twins & predictive maintenance

Work, Learning & Creativity

Human-AI collaboration tools

Lifelong learning / micro-credential platforms

Creator economy infra & tools

Security, Privacy & Trust

Post-quantum cryptography & key management

Privacy engineering & data clean rooms

Synthetic media detection & verification

Consumer Frontier & Lifestyle Tech

AR/VR & spatial computing apps

Longevity & wellness tech

Global energy-transition investment hit a record USD 2 trillion in 2024[74], highlighting demand for renewables, storage, and clean industry. India has built ~127 GW solar and ~53 GW wind capacity (Sep 2025)[75], creating a strong home market for green innovation. AI benefits from India's IT expertise, talent pool, and digital infrastructure, enabling applied AI in multilingual, enterprise, and governance contexts. With AI projected to add USD 15.7 trillion[76] to global GDP by 2030 and GenAI budgets rising from ~4% (2024) to >6% (2025), India's tech services stand to gain significantly.

India's EV ecosystem is at an inflection point with cost parity in two and three-wheelers, policy incentives, and a growing supply chain for components, charging, and recycling. Global electric car sales exceeded 17 million in 2024 (>20% share)[77], while India sold ~2.04 million EVs in FY 2024–25[78] (15.6% YoY growth), creating opportunities in batteries, power electronics, swapping, and recycling. Defence is another growth area as the exports reached INR 23,622 crore in FY 2024–25[79], and the iDEX program opened 549 problem statements, engaging 619 startups/MSMEs and signing 430 contracts building a pipeline for dual-use and deep-tech solutions.

With targeted support, startups can scale from products to interoperable solutions, integrate into global value chains, and convert local traction into repeatable international revenues.

[74] http://about.bnef.com/insights/finance/global-investment-in-the-energy-transition-exceeded-2-trillion-for-the-first-time-in-2024-according-to-bloombergnef-report
[75] https://mnre.gov.in/en/physical-progress
[76] https://www.pwc.com/gx/en/issues/analytics/assets/pwc-ai-analysis-sizing-the-prize-report.pdf
[77] https://www.iea.org/reports/global-ev-outlook-2025/executive-summary
[78] https://evreporter.com/wp-content/uploads/2025/05/EVreporter-India-EV-Report-FY24-25.pdf
[79] https://www.pib.gov.in/PressReleasePage.aspx

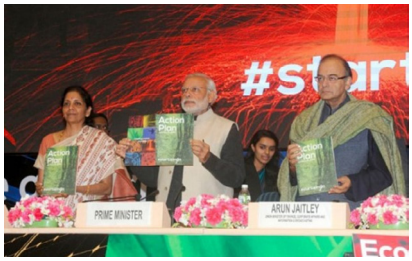
3 Understanding the States' Startup Ranking Framework: Driving Competitive & Cooperative Federalism in India

3.1 Background and Purpose of the States' Ranking Framework

The States' Startup Ranking Framework (SRF) is a periodic capacity-building initiative of Startup India DPIIT. It assesses how effectively every State and UT nurture a startup-friendly ecosystem. Launched in February 2018, SRF examines India's startup landscape through the lens of state policy and highlights practices that accelerate ecosystem growth and development.

Figure 12: Timeline of States' Startup Ecosystem Ranking

Jan 2016



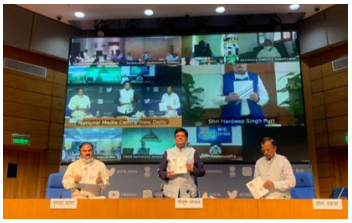
Launch of Startup India Initiative

July 2016

1st States' Startup Conference

Sep 2017

2nd States' Startup Conference



2018

1rd States' Edition of SRF launched

2019

2nd States' Edition of SRF launched

2021

3rd States' Edition of SRF launched

2022

4th States' Edition of SRF launched

Jan 2023-Nov 2024

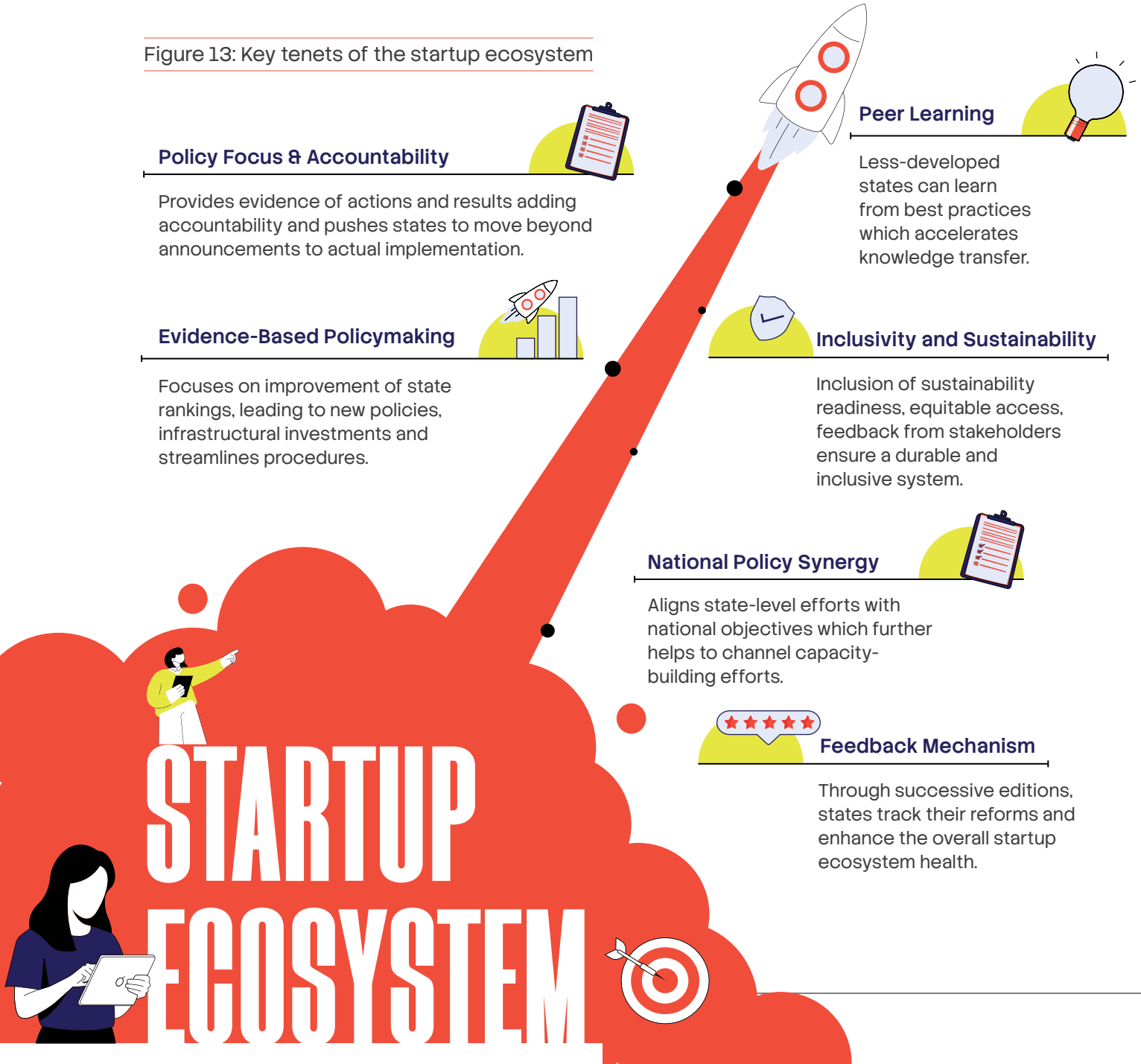
5th Edition of States' Startup Ranking

Jan 2024

4th States' Edition of SRF launched

Anchored in the principles of cooperative and competitive federalism which echoes the national commitment to Sabka Saath, Sabka Vikas, SRF has encouraged States and UTs to adopt dedicated startup policies and tracks their evolution through annual rankings. It complements the efforts of both the Central and the States/UTs government to strengthen entrepreneurial mindsets across the country. This is further supported by capacity-building programs conducted by the Startup India team for ecosystem enablers and innovators.
A core feature of the framework is an outcome-oriented feedback mechanism, through which beneficiary startups and incubators across States/UTs share their experiences of government support and handholding. This continuous feedback loop is instrumental to refine policies, improve implementation, and drive sustained ecosystem development. Through the SRF, states and UTs can identify key areas for improvement and expansion, thereby encouraging the growth and development of their regional startup ecosystems. Further, it serves as a platform to highlight best practices adopted across various regions, inspiring others to explore innovative ventures, enhance collaboration and implement impactful changes.

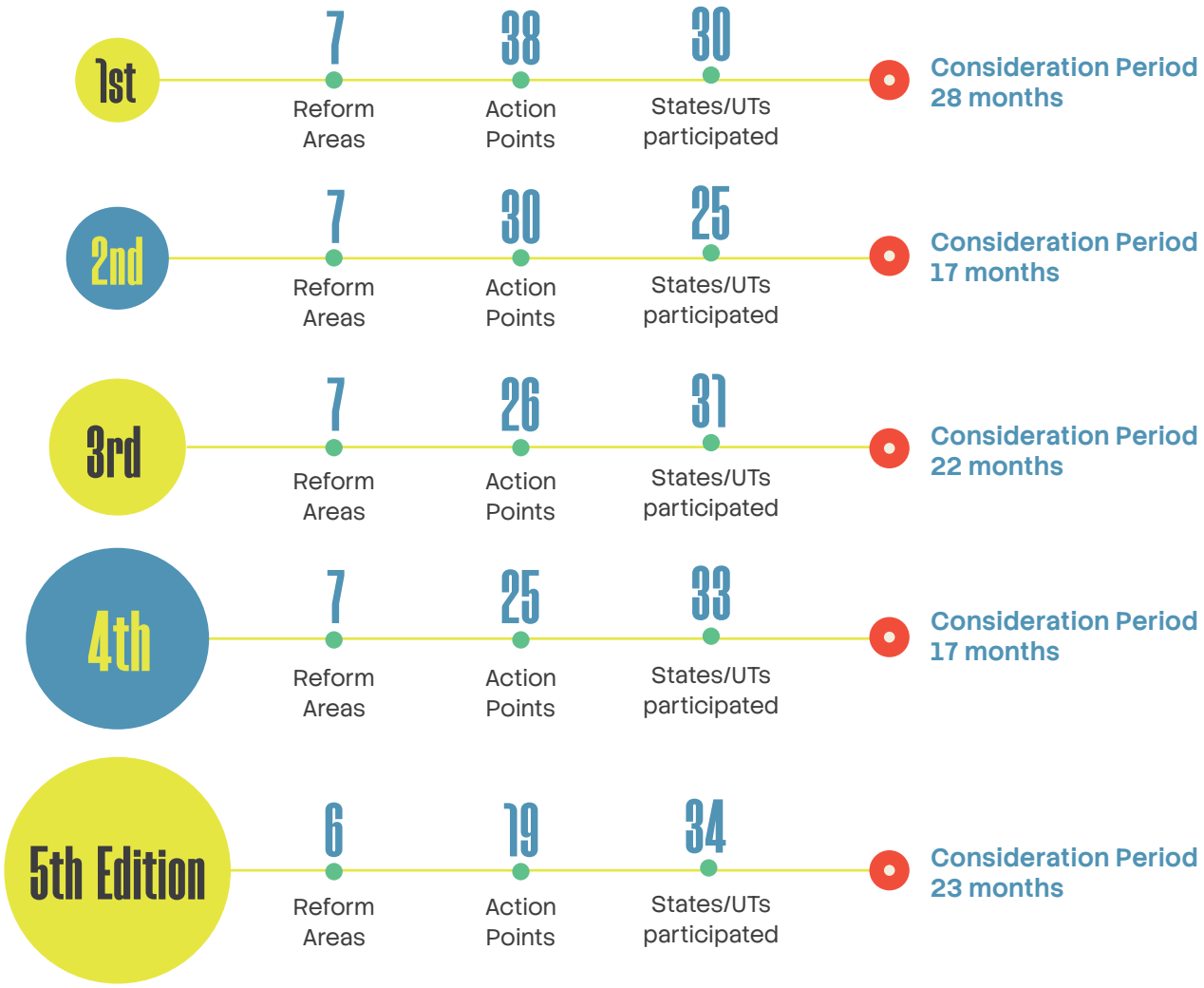
Figure 13: Key tenets of the startup ecosystem



3.2 Evolution of the Ranking Framework

Over the past five editions, the States' Ranking exercise has served as a practical roadmap for States and UTs to codify best practices, set clear assessment criteria, and a way forward to implement action points. It began in 2018 with 7 reform areas covering 38 action points and an evaluation window of 28 months. The framework was refined in 2019 with a window of 17 months, expanded again in 2021 with 22 months, and in 2022 was consolidated to 25 action points over 17 months.

Figure 14: The journey of SRF over the years



For the 5th edition, the framework further streamlined to 6 reform areas covering 19 action points, engages 34 States and UTs, over an evaluation period of 23 months, reflecting a sharper focus on impact while maintaining broad national participation.

3.3 Continuous Improvements and Methodical Enhancements

All participating states and UTs have been categorized into five groups, based on their performance. The framework scores each state and UT, following which they are converted to percentiles. This helps in demonstrating the relative performance of each state and UT, in comparison with the others.

BEST PERFORMER: States and UTs that set the national benchmark with exemplary, mature startup ecosystems and model practices. Gujarat has demonstrated consisted performance from 2018-2022. In 2022, Tamil Nadu (category A) and Himachal Pradesh (category B) have been marked under the group of distinguished high achievers.

TOP PERFORMER: States and UTs showing strong momentum and measurable gains, backed by robust initiatives that actively nurture entrepreneurs. Kerala has been a top performer between 2018-2020. However, in 2022, it moved up to the best performers category whereas states like Odisha, Punjab, Arunachal Pradesh and Meghalaya joined the category.

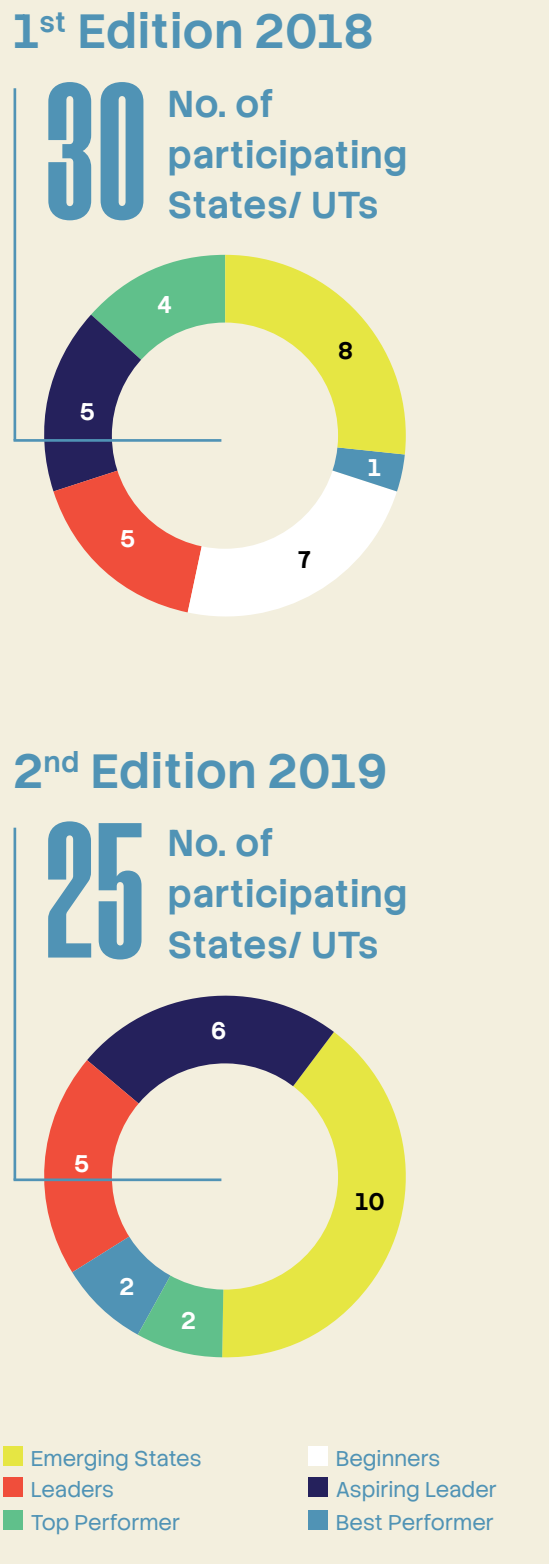
LEADER: States and UTs consistently building and strengthening an effective startup ecosystem through sustained policy and program delivery.

ASPIRING LEADER: States and UTs actively designing and rolling out new measures to support startups, moving toward a more comprehensive ecosystem.

EMERGING STARTUP ECOSYSTEM: States and UTs in the early stages of ecosystem development, laying core foundations and progressing toward scale.

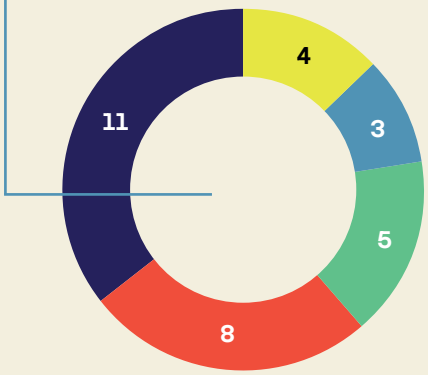
The SRF exercise has gradually matured over the years, as more and more states have participated, and improved their startup ecosystem.

Figure 15: Classification of Participating States



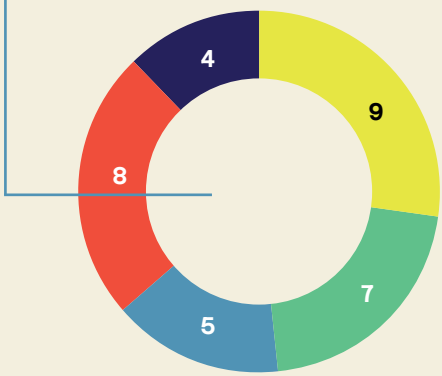
3rd Edition 2021

31 No. of participating States/ UTs



4th Edition 2022

33 No. of participating States/ UTs



- Emerging States
- Leaders
- Top Performer
- Beginners
- Aspiring Leader
- Best Performer

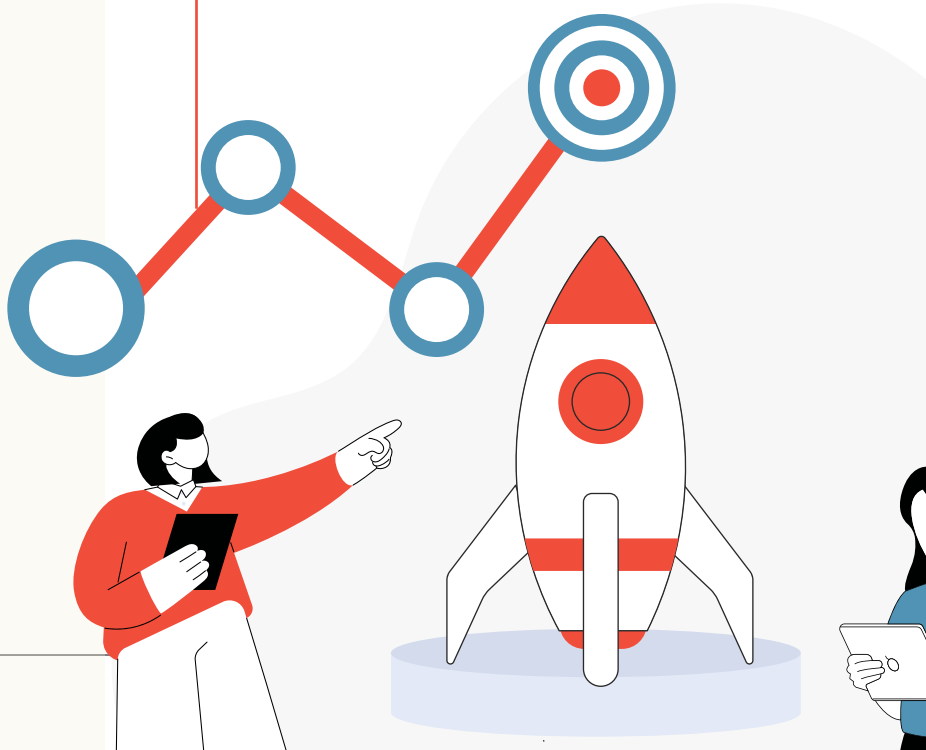
Figure 16: Impact created by States' Startup Ecosystem Ranking over the years

1st — Jan 2016 - Apr 2018

- **7** Reform Areas | **38** Action Points
- **30** States/UTs Participated
- **Workshops Location**
  - **Domestic**: Telangana, Gujarat, Andhra Pradesh
  - **International**: USA, Israel
- **Impact**
  - **70% of States** had well-established policies.
  - **15 States** give incentives to women-led startups
  - **20 States** have dedicated support for the Startup ecosystem.
  - **11 States** have a single-window system for Startups
  - State Governments funded **70+ incubators in 2 years**
  - **14 States** developed incubation areas ranging **5,000–30,000 sq. ft.**
  - **15 States** provided seed funding; **3,000+ startups** benefited nationwide.
  - **19 States** allow self or third-party certification for **3–5 years.**
  - States supported **90+ Startup** outreach events across India.
  - **100+ boot camps** held with State support.
  - **36+ hackathons** held nationwide with State support.
  - States supported entrepreneurship training for **28,000+ students.**

2nd — May 2018 - Jun 2019

- **7** Reform Areas | **30** Action Points
- **25** States/UTs Participated
- **Workshops Location**
  - **Domestic**: Maharashtra, Rajasthan, Kerala
  - **International**: USA, Germany
- **Impact**
  - **29 States** with Startup policies.
  - Seed funding granted to **1,300 startups**
  - **190 Partnerships** established across **14 States.**
  - **2,000 mentors** registered across States.
  - **1,200 women-led startups** incentivized across **19 States.**
  - **420 Startup** Events organized.



3rd — Oct 2019 - Jul 2021

7 Reform Areas | **26** Action Points

31 States/UTs Participated

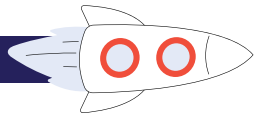
Workshops Location

Knowledge Exchange Week
Online 1 week workshop

Impact

- **1,500+ women-led startups** supported across **16 States/UTs.**
- **40K+ startups** registered across 20 States/UTs.
- **50+ initiatives** have dedicated support for the Startup ecosystem.
- **590+ grassroots** innovations with rural impact supported.
- **1,700+ startups** availed public procurement relaxations in **8 States/UTs.**
- **50+ Sensitization workshops** for Government officials in **17 States /UTs.**
- **2K+ Potential Investors** attending 75+ programs across **8 States and UTs**
- **15 States/UTs** awarded **250+ startups** work orders over **₹50K.**
- **40 funds (seed, venture, FoF)** launched across **11 States/UTs**
- **2,500+ startups** received incubation support in **18 States/UTs.**
- **400+ startups** received funding through State supported funds

4th — Aug 2021 - Dec 2022



7 Reform Areas | **25** Action Points

33 States/UTs Participated

Workshops Location

Domestic
Telangana, Jaipur, Meghalaya

International
Netherlands, Republic of Korea

Impact

- **44 active policies** support circular economy startups across **19 States/UTs.**
- **28 States/UTs** supported **2,533 women-led startups** across **213 districts.**
- **19 funds (seed, venture, FoF)** established across **15 States/UTs.**
- **21 States/UTs** hosted **102 programs** linking **1,801 startups to 821 investors.**

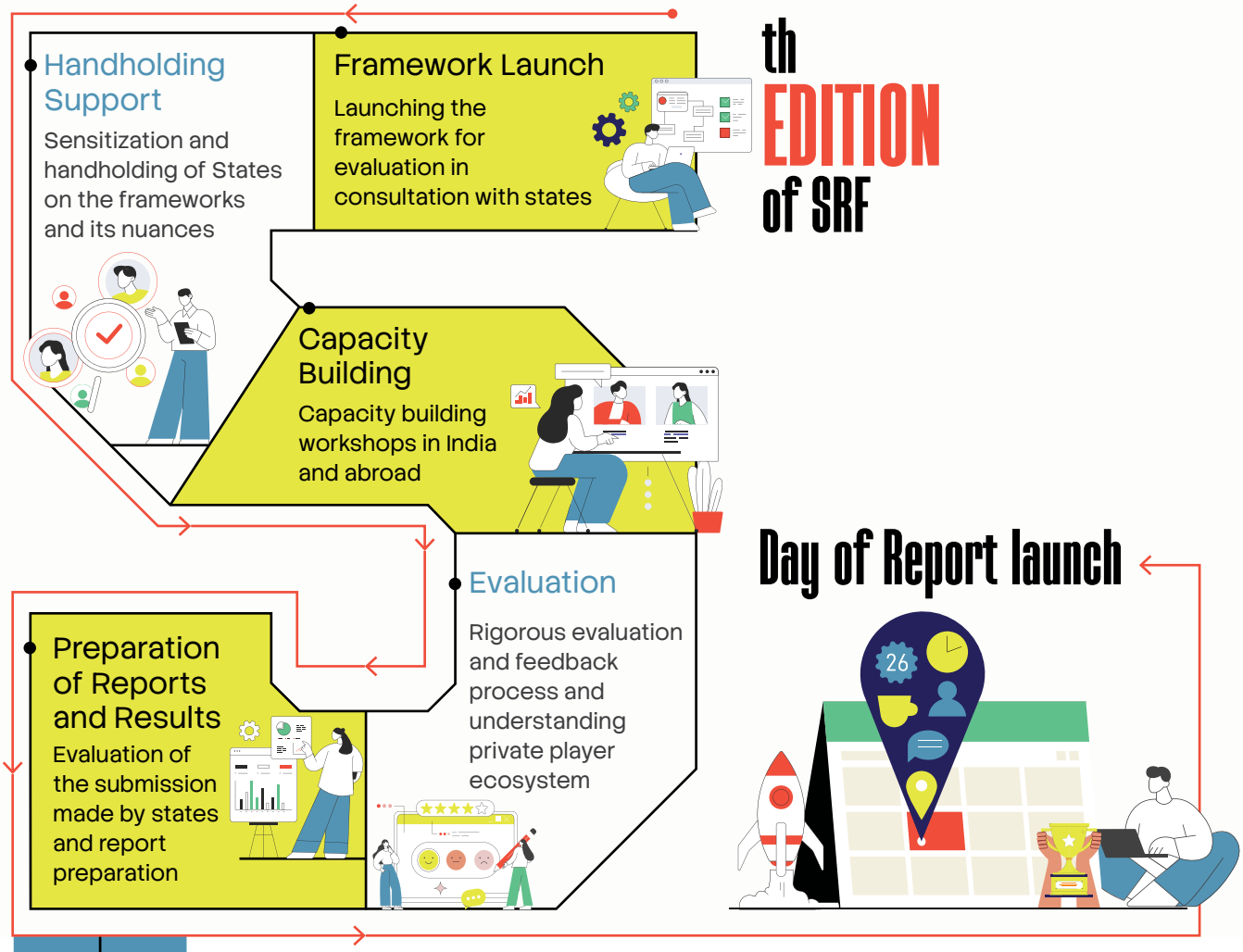
4 The 5th Edition of States' Startup Ecosystem Ranking: Strengthening State-led Startup Ecosystems

4.1 Overview of the 5th Edition of States' Startup Ecosystem Ranking

The 5th edition of States' Startup Ecosystem Ranking builds upon the previous editions of the same, witnessing participation from 34 States and UTs of India. The consideration period for this exercise was between 1st January 2023 to 30th November 2024.

Startup India has undertaken multiple activities for the effective implementation of the ranking exercise, including drafting of the framework, capacity building workshops for States and UTs, development of the submission portal among other activities as explained below:

Figure 17: Key activities for 5th edition of SRF



States' Startup Ecosystem Ranking Process Flow

1

The process began with building the framework by Startup India, DPIIT, followed by consultation with State / UT government officials and nodal bodies.

2

With the release of the framework, dedicated sessions including capacity building exercises were organized by the Startup India team to ensure comprehension of the framework.

3

On submission of all documentary evidence by participating States /UTs across all the reform areas and action points through the States Ranking Portal, a meticulous, and transparent process of evaluation of the submissions was conducted by the team. Simultaneously, the feedback process was conducted wherein the on-ground impact of the States' / UTs' initiatives were mapped, and private ecosystem analysis was undertaken through various secondary sources.

4

Once the evaluation and feedback processes were analysed and completed, results were finalised, and detailed reports (a National Report, separate reports for all participating states /UTs and a Compendium of Best Practices) were prepared.

5

All these efforts cultivated into the final day which is when the results are declared. Representatives from States / UTs are recognised and rewarded for their efforts and initiatives to build a strong and sustainable Startup ecosystem for the country.

Startup India Team has conducted several workshops across India and abroad to ensure that stakeholders are aware of the ranking framework and methodology.

Figure 18: Glimpses from the workshops conducted

State Ranking Framework (SRF) Knowledge Exchange Workshop (Kochi, Kerala)

Startup India, DPIIT, in collaboration with Kerala Startup Mission (KSUM), Government of Kerala, conducted 'States' Startup Ecosystem Ranking Capacity Building and Knowledge Exchange Workshop' on the 4th and 5th of April 2024 in Kochi, Kerala. The workshop witnessed participation of over 80 stakeholders, including senior officers of the nodal departments from 18 States and UTs across the country. The two-day workshop provided a platform for the States and UTs to interact with one another and key private ecosystem stakeholders, exchange best practices and engage with ecosystem enablers.

Figure 19: Glimpses of the workshops conducted

States' Startup Ranking - 2 Day Knowledge Exchange Workshop (Nagaland Edition)

Startup India, DPIIT organized a knowledge exchange workshop from 10th to 11th March 2025 in Kohima, which saw participation of more than 17 States and UTs. The workshop offered an opportunity for the participants to interact with each other, exchange best practices, interact with leading startups, investors and incubators.

Figure 20: Glimpses of the workshops conducted

State Ranking Framework (SRF) Knowledge Exchange Workshop (Gujarat)

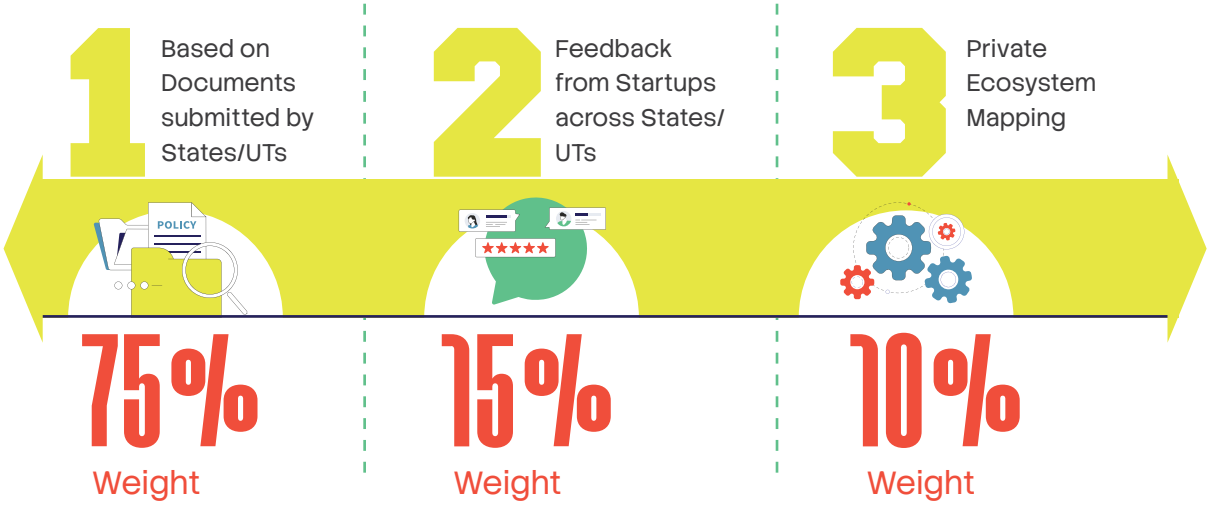
Startup India DPIIT, in collaboration with Startup Gujarat, conducted 'States' Startup Ecosystem Ranking Capacity Building and Knowledge Exchange Workshop' on the 12th and 13th of September 2024 in Ahmedabad, Gujarat.
The workshop was attended by over 100 participants, including over 35 officials from 16 States and UTs, representing a diverse group of stakeholders from private and public sectors, including key global players. Shri Sanjiv, Joint Secretary, DPIIT, and Shri Sumeet Kumar Jarangal, Director, DPIIT, along with other DPIIT officials also graced the occasion.

4.2 The Framework & its Pillars

4.2.1 Key Pillars of Evaluation

The framework for the 5th edition of States' Startup Ecosystem Ranking has three major pillars as depicted in the diagram below:

Figure 21: Major pillars of the framework



Each of these pillars and their construct has been described in the following sections of the report.

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4.2.2 Documentary Evidence Evaluation

The documentary evaluation process centres around 6 reform areas, which have been further divided into 19 different action points. Each action point is then scored, either through an absolute score, or through relative scores. These scores are assigned based on the guidelines as laid out in 5th States' Startup Ecosystem Ranking.

The guidelines provide the list of documents which are mandatory and recommended for the sake of evaluation.

The reform areas and the scores and number of action points have been shown in the table below.

Figure 22: Reform Areas

Reform Area 1
Institutional Support

Reform Area 2
Infrastructure Support

Reform Area 3
Funding Opportunities

Reform Area 4
Market Access & Reach

Reform Area 5
Ecosystem Capacity Building

Reform Area 6
Focus on Innovation and Sustainability

Reform Area	Score	Action Points (APs)	APs with Absolute Scoring	APs with Relative Scoring
Institutional Support	25	6	6	1
Infrastructure Support	12	2	2	0
Funding Opportunities	12	3	3	0
Market Access & Reach	11	3	2	3
Ecosystem Capacity Building	9	3	2	1
Focus on Innovation and Sustainability	6	2	2	0
Total	**75**	**19**	**17**	**5**

Reform Area 1: Institutional Support

Institutional Support evaluates how effectively state governments create a strong foundation for startup ecosystems by assessing startup policies, nodal departments, dedicated teams, cross-departmental involvement and targeted initiatives for priority sectors, women entrepreneurs, and student founders. It highlights the importance of a robust institutional framework for encouraging innovation by examining how deeply startup support is embedded in state governance through the number of supported startups, implemented schemes, and participating departments, ensuring inclusive and structured support across sectors and demographics.

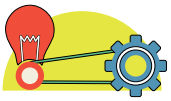
It covers 6 action points:

Action Point 1:
Support Provided to Startups by State/UT Department(s)

Action Point 2:
For Development with a Futuristic and Disruptive Focus

Action Point 3:
Women Entrepreneurial Development

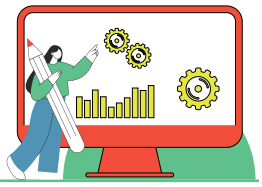
Action Point 4:
For the Growth of Young Entrepreneurs



Action Point 5:
Entrepreneurial Growth in the Social Innovation Landscape

Action Point 6:
Mentorship Support Provided to Startups

Reform Area 2: Infrastructure Support



Infrastructure Support assesses the availability and quality of digital and physical infrastructure for startups, including state startup portals, accessibility features and incubation facilities. By tracking metrics like the number of incubators, upgraded facilities, and supported startups, this area highlights the readiness of states to support startups through every stage of their journey, from ideation to scaling.

It covers 2 action points:

Action Point 7:
Access to Digital Infrastructure

Action Point 8:
Access to Physical Infrastructure

Reform Area 3: Funding Opportunities

Funding Opportunities evaluates state-led financial support for startups through seed funds, venture funds and investor connect initiatives, assessing funding reach, institutional partnerships, and effectiveness to gauge how well states enable access to capital and strengthen the financial depth of their startup ecosystems.

It covers 3 action points:

Action Point 9:
Access to Funding

Action Point 10:
Number of Startups which have Received Funding through State Supported Funds or Mechanisms

Action Point 11:
State Support in Fundraising Initiatives

Reform Area 4: Market Access & Reach

Market Access & Reach assesses how effectively states enable startups to access domestic and international markets through procurement relaxations, government work orders and exposure programs, evaluating tenders, awarded projects and partnership initiatives to understand how states reduce entry barriers, enhance visibility and support startup scaling.

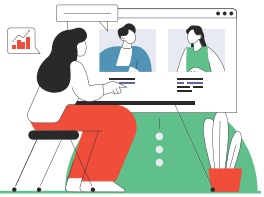
It covers 3 action points:

Action Point 12:
Market Access Opportunity Provided to Startups through Public Procurement

Action Point 13:
Number of Startups Awarded Purchase Orders or Work Orders

Action Point 14:
Access to Domestic and International Market Access Opportunities

Reform Area 5: Ecosystem Capacity Building



Ecosystem Capacity Building assesses state efforts to strengthen startup ecosystems through training and sensitization of government officials, incubators, and enablers such as mentors and investors, evaluating program reach, participation, and impact to ensure a skilled, collaborative and resilient support system for startups.

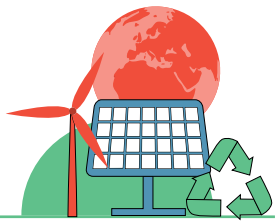
It covers 3 action points:

Action Point 15:
Capacity Building of Officials of State Government Departments on Startup Ecosystem of India

Action Point 16:
Number of State-supported Incubators Trained Through Capacity Development Workshops

Action Point 17:
Number of Programs Conducted to Sensitize Ecosystem Enablers

Reform Area 6: Focus on Innovation and Sustainability



Focus on Innovation and Sustainability evaluates how states promote future-ready entrepreneurship through IPR facilitation, R&D support and incentives for climate and circular economy startups, assessing policies, support mechanisms, and beneficiary startups to gauge long-term economic and environmental impact.

It covers 2 action points:

Action Point 18:
Initiatives Undertaken by the State/UT to Facilitate Research and Innovation

Action Point 19:
Support to Startups for a Sustainable Focus

Submission Process

a) A dedicated online portal (https://www.startupindia.gov.in/srf/portal/login_2024.html), ensuring a standardized, transparent, and fully digital evaluation process was developed. The portal serves as a single-window system for uploading supporting

documents against each reform area and action point, including policy notifications, implementation evidence, dashboards, and outcome metrics.

b) The States/UTs were asked to submit the documentary evidence in line with the supporting documents and mandatory guidelines under 5th edition of States' Startup Ecosystem Ranking framework released on June 1, 2024[80].

c) The evidence was then analyzed and accepted or rejected.

The screenshot of the submission portal has been depicted below:

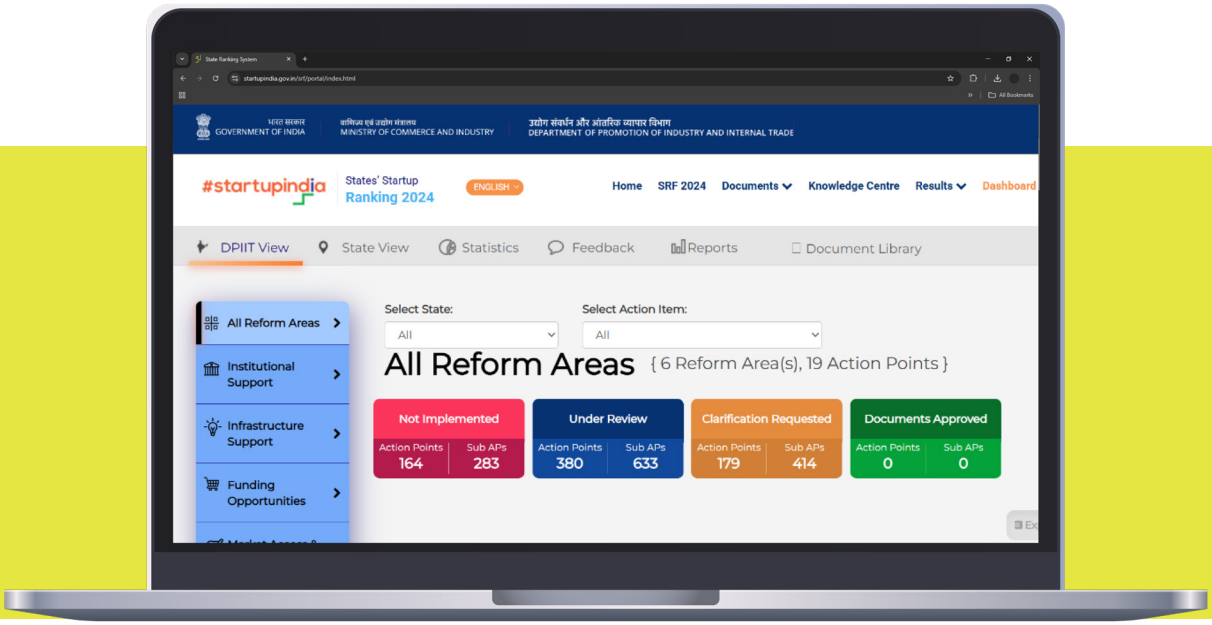


Figure 23: Startup India portal

Analysis of Documentary Evidence

The Startup India Team examined and evaluated all submitted documentary evidence by the states/ UTs based on the 5th edition framework. Based on the assessment of documents submitted by States/UT, findings were presented to the Evaluation Committee under First Round of Evaluation Committee (EC) meetings. Post First round of evaluation, opportunity was given to participating States / UTs to clarify gaps and missing information, and further, resend documents under Round-2, based on the initial feedback and thoughts of EC.

Based on the clarifications sought from States/ UTs, the submission portal was re-opened for participating States/UTs to re-submit documents, wherever applicable. The re-submitted documents are re-assessed and findings presented in the Second Round of Evaluation Committee (EC) meetings.

[80] https://www.startupindia.gov.in/srf/portal/pdf/5th%20Edition%20of%20States%20Startup%20Ecosystem%20Ranking.pdf

Assessment by Evaluation Committees

The Department formed Evaluation Committees (ECs) composed of relevant stakeholders and experts from the Startup ecosystem to assess each Reform Area of the ranking structure. The Committee members included professionals from both public and private organizations. The Reform Area-wise evaluation analysis was vetted and approved by the ECs and subsequently finalized.

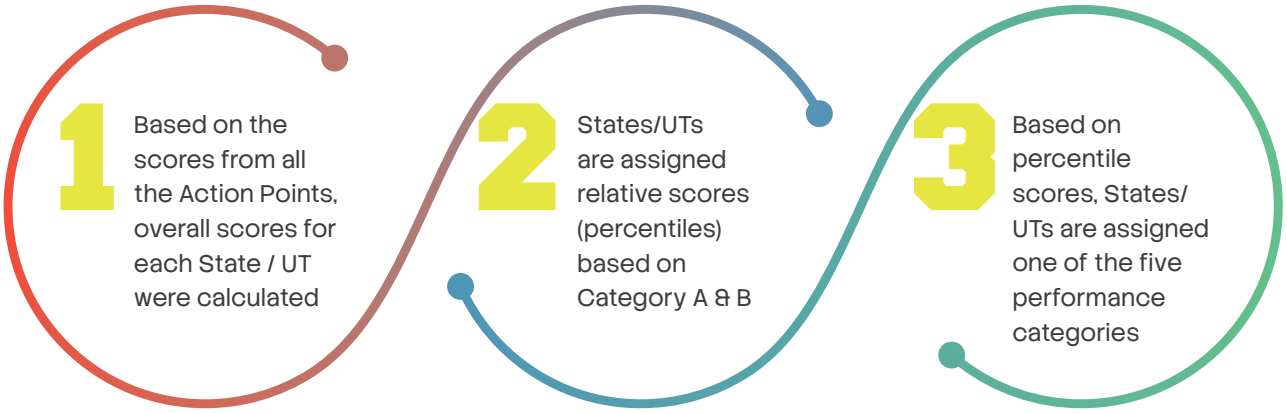
Evaluation Committee (EC) member Organisations

Figure 24: Members of the Evaluation Committee

Scoring for Ranking

In consonance with the 5th edition framework, every action point was linked to a specific scoring method, either absolute or relative, based on the characteristics of the reform areas. The scores were assigned after verifying the supporting documentary evidence.

Figure 25: Framework of scoring for ranking



Under the 5th edition,

3800+ documents

were submitted by 34 States/UTs across 6 reform areas and 19 action points, wherein

1150+ for Reform Area 1

540+ for Reform Area 2

660+ for Reform Area 3

470+ for Reform Area 4

520+ for Reform Area 5

370+ for Reform Area 6

4.2.3 Feedback from Startups

The second pillar of the framework is 'Feedback Analysis', which involves soliciting feedback from the startups who have been operating within these states & UTs. The feedback is spread across different aspects such as awareness about schemes and policies related to startups, institutional support, infrastructure support and market access initiatives among others. This feedback then assists in ranking the states in terms of the on-ground conditions of the startup eco-system.

For the 5th edition feedback survey, Simple Random Sampling has been identified as the most appropriate method for selecting the survey sample. This approach ensures an unbiased representation of the startup population within each State/UT.

The required sample size for each State / UT was determined using the following formula:

$$n = \frac{Z^2 \cdot p \cdot (1 - p)}{e^2}$$

Where:

- n = Sample size
- Z = Z-value corresponding to the desired confidence level (e.g., 1.96 for 95% confidence)
- p = Estimated proportion of the population with the attribute of interest (i.e., registered startups within the state/UT)
- q = 1 – p
- e = Acceptable margin of error (e.g., 0.03 or 3%)

Modes of feedback collection

The feedback from startups has been collected through two survey modes: Online survey and telephonic survey. While the online survey was administered via e-email, enabling the Startups to complete the survey at their convenience through a secure digital link, the telephonic survey involved direct outreach by trained representatives who connected with startup founders or key representatives over a phone call.

Figure 26: Modes of feedback collection

To ensure accurate and high-quality feedback collection under SRF 5.0, a structured protocol was followed for both telephonic and online surveys:

- For the telephonic survey, startup details including name, founder/CEO/owner, and mobile number were verified before proceeding. Calls with mismatched or invalid details were marked as inaccurate. Further, language support was provided in English (primary), Hindi (secondary), and several regional languages such as Tamil, Telugu, Malayalam, Marathi, Bengali, Urdu, Kannada, Odia, and Gujarati, with English used for final collation. Each contact was attempted at least three times across different time slots, and follow-ups were made for incomplete surveys.
- With regard to the online survey, each startup could submit one response, completed by an authorized representative. These had to be completed in a single sitting, and duplicate entries were automatically disqualified.

The questionnaire was divided into two categories: awareness-based questions and beneficiary-related questions. The awareness-based questions were administered to all DPIIT-recognized startups registered within the period of consideration across all 34 States and UTs participating in the States' Startup Ranking exercise, while the beneficiary-related questions were directed to startups from the States and UTs that had submitted beneficiary data as part of the exercise.

Feedback Questions

Reform Area	Direct Questions		Embedded Questions	
	Awareness-based	Score (Marks)	Beneficiary based	Score (Marks)
Reform Area 1: Institutional Support	Are you aware of any startup policy or scheme launched by your state government / UT for Startup support?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Has your Startup benefitted from any such policy/ scheme in the last 3 years?	**Maximum marks: 2** • Yes (2 marks) • No (0 marks)
Reform Area 2: Infrastructure Support	Do you know if your State/UT provides a grievance redressal mechanism (portal/ helpline) for Startups?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Have you ever used this grievance redressal mechanism in the last 3 years? If yes, did you find it effective in resolving your issue(s)?	**Maximum marks: 2** • Yes, found it effective (2 marks) • No, did not find it effective (0 marks) • No, I did not feel the need to use the grievance redressal mechanism (2 marks)

Reform Area	Direct Questions		Embedded Questions	
	Awareness-based	Score (Marks)	Beneficiary based	Score (Marks)
Reform Area 3: Funding Opportunities	Are you aware of Seed Funds, Venture Funds, or Fund of Funds or special funding provisions for Startups supported by your State/UT?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Has your Startup received any funding through these State-supported mechanisms in the last 3 years?	Maximum marks: 2 • Yes (2 marks) • No (0 marks) • Did not apply for State support (2 marks)
Reform Area 4: Market Access & Reach	Do you know if your State/UT or PSUs allow Startups to participate in tenders with relaxations?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Has your Startup ever received a work/purchase order under these relaxations in the last 3 years?	Maximum marks: 2 • Yes (2 marks) • No (0 marks) • No, did not participate in any such tenders with relaxations (2 marks)
Reform Area 5: Ecosystem Capacity Building	Are you aware of incubation support / accelerator / mentorship programs provided to startups in your State/UT?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Have you been offered access to state-supported incubators or co-working spaces in the last 3 years?	Maximum marks: 2 • Yes (2 marks) • No (0 marks) • No, did not opt for any such support (2 marks)
Reform Area 6: Innovation & Sustainability	Are you aware of R&D support or any special provisions by your State/UT to support and fast-track IPR filings for Startups?	**Maximum marks: 0.5** • Yes - 0.5 • No - 0	Has your Startup benefited from such R&D grants/ subsidies or IPR fast-tracking support?	Maximum marks: 2 • Yes (2 marks) • No (0 marks) • No, did not apply for any such support (2 marks)
	Total marks	**3**	**Total Marks**	**12**

Scoring Methodology

Each question has been designed to assess startups' awareness and experience of various support mechanisms extended by their respective State Governments/ UTs. Responses were recorded in a Yes/No format, and scoring has been applied uniformly across all States and UTs. As per the methodology, if 50% or more of the responses to a question have been "Yes," full marks have been awarded; otherwise, the score for that question has been recorded as zero.

4.2.4 Private Sector Ecosystem Mapping

A strong private ecosystem is essential for the growth and sustainability of startups in India. Alongside government initiatives, private players, including venture capital firms, angel investors, incubators, accelerators, industry bodies, and corporations provide critical funding, mentorship, market access, and business expertise. These contributions help startups scale, innovate, and compete globally. Corporate partnerships and open innovation platforms further support collaboration, commercialization, and job creation, complementing public efforts with agility, innovation, and long-term investment.

Under the 5th edition of this exercise, a comprehensive assessment of the private ecosystem has been undertaken, comparing how effectively States and UTs attract and sustain private sector participation. The analysis highlights emerging innovation hubs, identifies gaps in private engagement, and showcases best practices for collaboration, encouraging stronger public–private partnerships to build resilient and globally competitive startup ecosystems.

The private ecosystem assessment is organized across four key dimensions of private sector support and engagement. Each dimension is evaluated using defined, measurable indicators, enabling objective scoring and fair comparison of performance across States and UTs.

Figure 27: Private ecosystem mapping framework

Dimensions	Indicators	
Private Infrastructure	No. of private incubators and accelerators in the state	No. of Private R&D Units in the state
	No. of DSIR recognized in-house R&D centres in the State	BIS Recognized Private Labs
Access to Private Capital	No. of PE/VC deals in the state	Value of PE/VC deals in the state (USD)
Entrepreneurial Culture & Talent Development	No. of Regional Mentors of Change (RMOC) in the State	No. of Private Universities in the State
Diversity & Inclusion	No. of startups with women founders/co-founders in the state	

4.3 Final Scoring and Categorization

For the final scoring of States/UTs under the 5th edition, scores under Documentary evaluation, Feedback Analysis and Private Ecosystem Mapping have been consolidated and converted into percentiles based on Category A and B States/UTs. Based on the percentile performance, States/UTs are categorized as per the following grading groups:

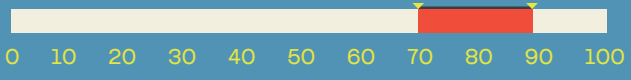
Best Performer

(Percentile 90 – 100)

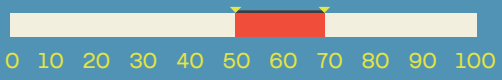
Best Performers are the leading States and UTs in the country with model State Startup ecosystems.

Top Performers

(Percentile 70 – 89)



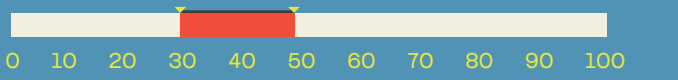
Top Performers have shown significant growth in respective Startup ecosystems and have established initiatives to nurture the entrepreneurs of the state.



Leaders

(Percentile 50 – 69)

Leaders are the states and UTs which have been continuously working towards building an effective Startup ecosystem.



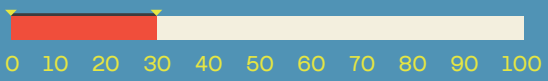
Aspiring Leaders

(Percentile 30 – 49)

The states and UTs identified as Aspiring Leaders are working towards identifying and formulating initiatives to provide support to the Startups in the state and UT.

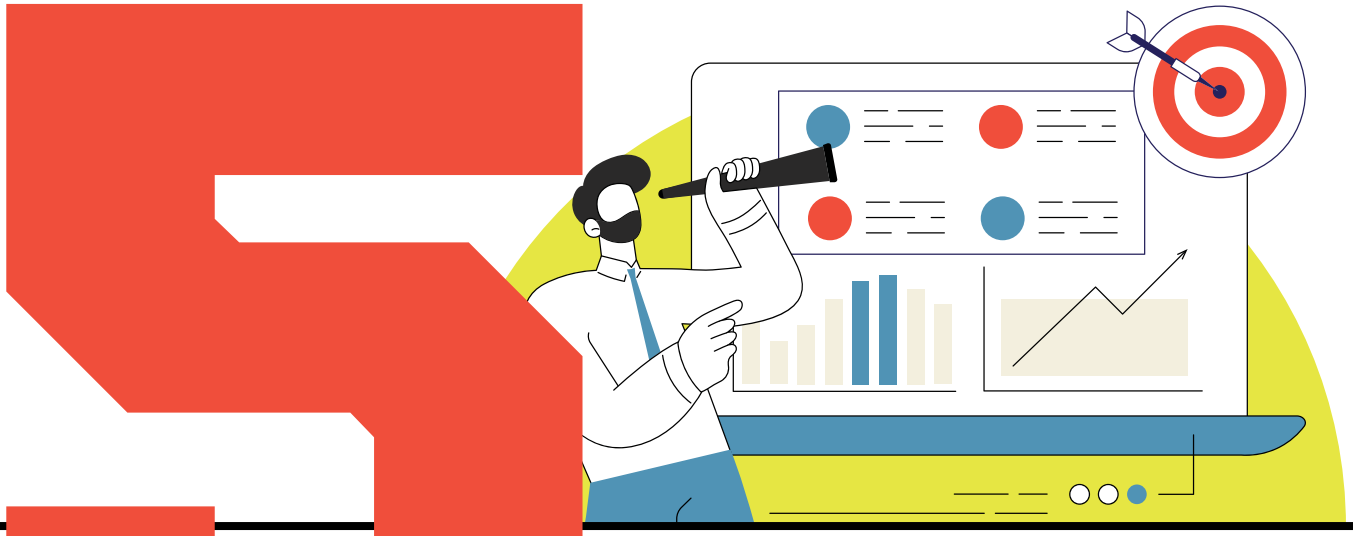
Emerging Startup Ecosystem

(Percentile upto 30)



The States and UTs identified as Emerging Startup Ecosystems are on the path of developing their Startup ecosystem.

मिश्रा
बुक हाउस
M.I. Enterprises
SHRIJI CARDS
HAMDARD DAWAKHANA
ROYAL
राहुल शिकंजी सेन्टर



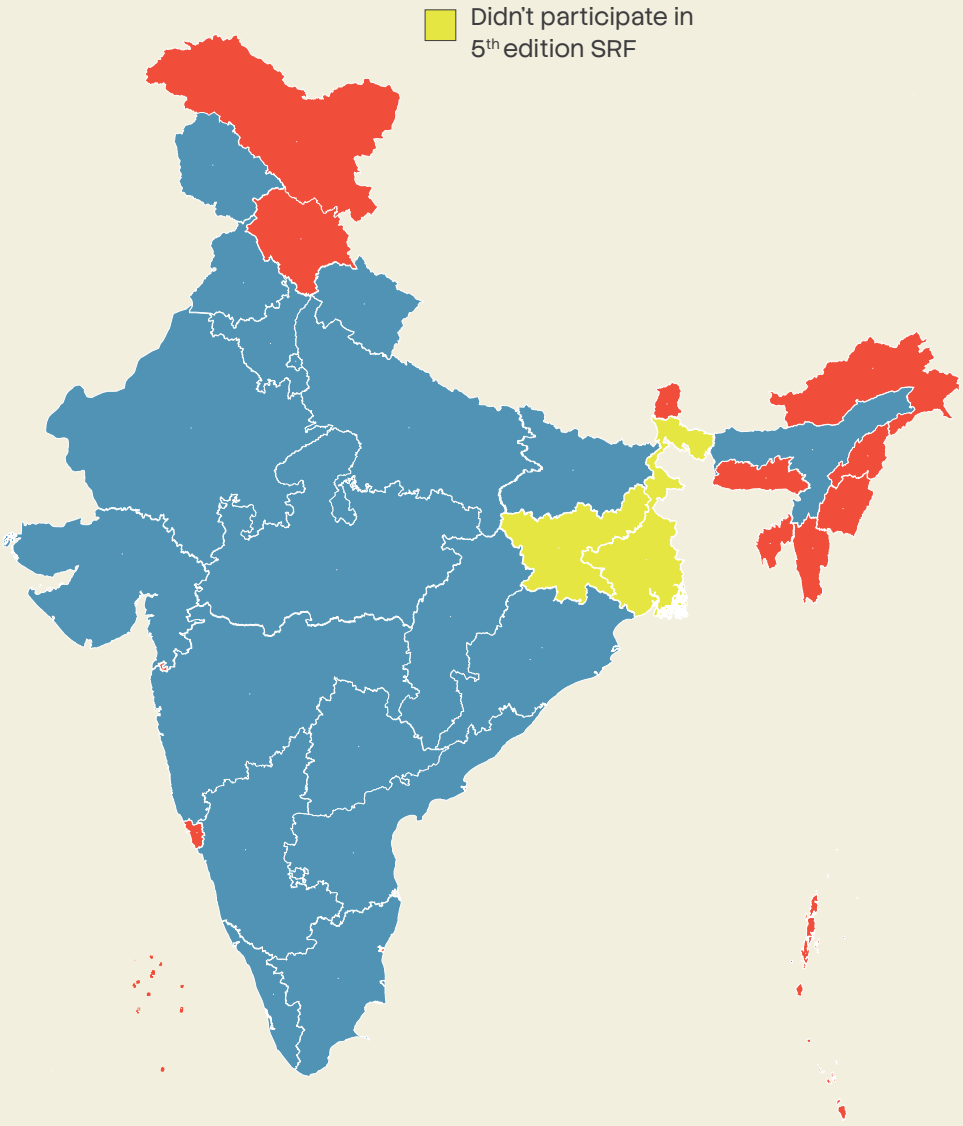
5 Results and Insights from the 5th States' Startup Ecosystem Ranking

5.1 Overview of the Participation

The 5th edition of the States Startup Ecosystem Ranking saw participation from States and UTs across India. The States and UTs were divided into two categories, Category A and Category B. Category A has been further divided into two sub-categories, namely A1 and A2, wherein Category A1 includes all States/UTs with a population of more than 5 crores, while Category A2 includes all States/UTs with a population of more than 1 crore and less than 5 crores. Category B includes all States/UTs with a population of less than 1 crore.

Figure 28: Overview of the Participation of the States/UTs

Participation of States/UTs in 5th edition of States Startup Ecosystem Ranking



No. of documents submitted by 34 States/UTs across 19 Action Points

3800+

No. of Evaluation Committee (EC) meetings for reviewing submissions

12

No. of data points assessed across 19 Action Points and 34 States/UTs

~26 Lakh

Category A States/UTs

A1 States/UTs

1. Bihar
2. Gujarat
3. Karnataka
4. Madhya Pradesh
5. Maharashtra
6. Rajasthan
7. Tamil Nadu
8. Uttar Pradesh

A2 States/UTs

9. Andhra Pradesh
10. Assam
11. Chhattisgarh
12. NCT of Delhi
13. Haryana
14. Jammu and Kashmir
15. Kerala
16. Odisha
17. Punjab
18. Telangana
19. Uttarakhand

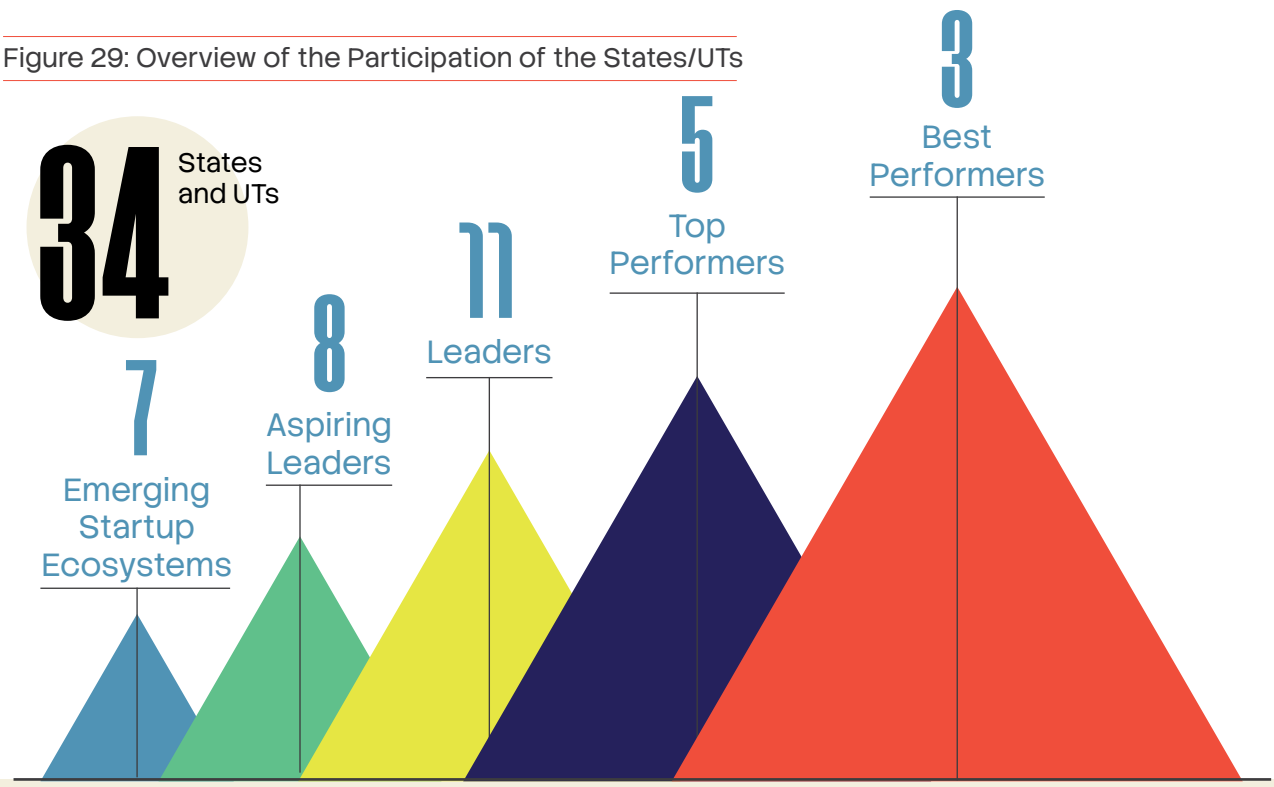
Category B States/UTs

1. Andaman and Nicobar Islands
2. Arunachal Pradesh
3. Chandigarh
4. Dadra and Nagar Haveli and Daman and Diu
5. Goa
6. Himachal Pradesh
7. Ladakh
8. Lakshadweep
9. Manipur
10. Meghalaya
11. Mizoram
12. Nagaland
13. Puducherry
14. Sikkim
15. Tripura

5.2 Overview of Performance

Based on the performance of States and UTs, Category A and B States and UTs have been grouped as outlined below:

Figure 29: Overview of the Participation of the States/UTs



Category A

- **Best Performer**
  Gujarat
- **Top Performer**
  Karnataka, Punjab, Tamil Nadu, Uttar Pradesh
- **Leaders**
  Rajasthan, Kerala, Madhya Pradesh, Uttarakhand, Telangana Maharashtra, Andhra Pradesh, Haryana
- **Aspiring Leaders**
  Odisha, Assam, Bihar, Jammu & Kashmir
- **Emerging Startup Ecosystem**
  Chhatisgarh, NCT of Delhi

Category B

- **Best Performer**
  Arunachal Pradesh, Goa
- **Top Performer**
  Himachal Pradesh
- **Leaders**
  Manipur, Nagaland, Meghalaya
- **Aspiring Leaders**
  Mizoram, Sikkim, Tripura, Andaman and Nicobar Island,
- **Emerging Startup Ecosystem**
  Puducherry, Chandigarh, Ladakh, Lakshadweep, Dadra and Nagar Haveli and Daman and Diu

5.3 Key Insights from the Reform Areas

Based on the performance of States and UTs, Category A and B States and UTs have been grouped as outlined below:

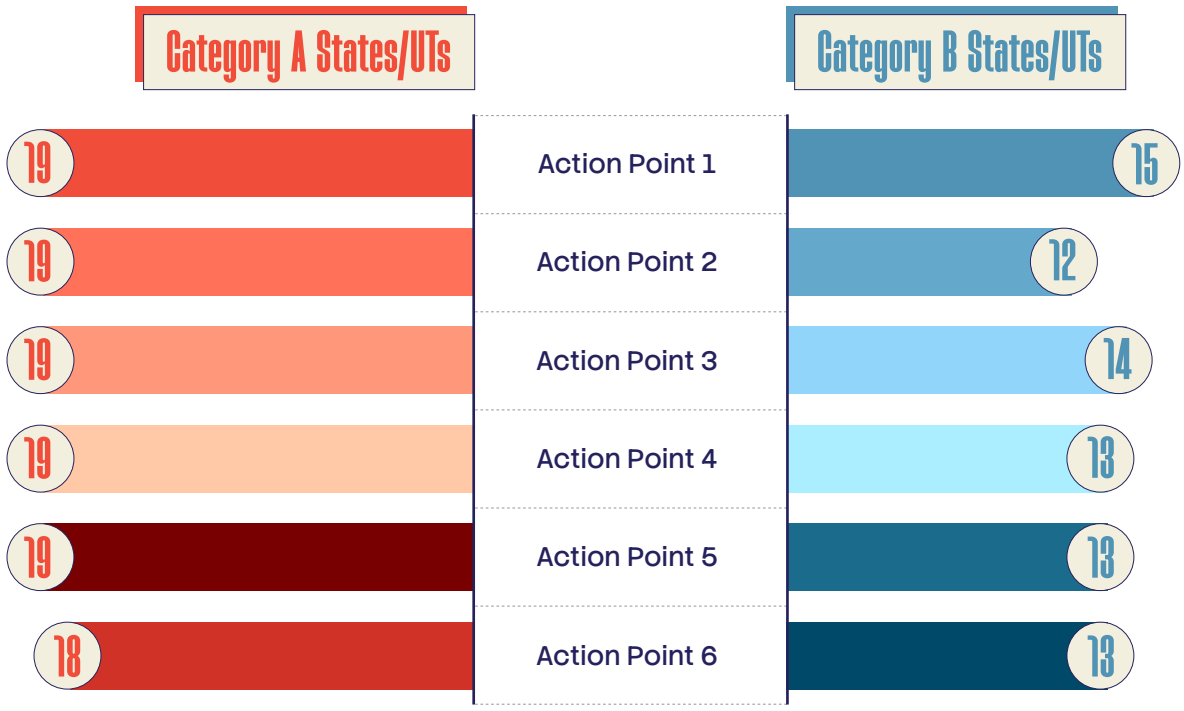
5.3.1 Reform Area 1 – Institutional Support

The reform area 'Institutional Support' focuses on the facilitation and execution of a State's / UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders, paving the way for easy access of information for startups and ecosystem stakeholders.
It comprises 06 Action Points including the presence of a startup policy, identification and development of priority sectors, support for women entrepreneurs, and initiatives for young student entrepreneurs. The goal is to ensure that startups receive structured and multi-departmental support, enabling them to thrive across sectors and demographics.

Participation status

The Reform Area 'Institutional Support' witnessed active and encouraging participation across all 6 action points from States and UTs.

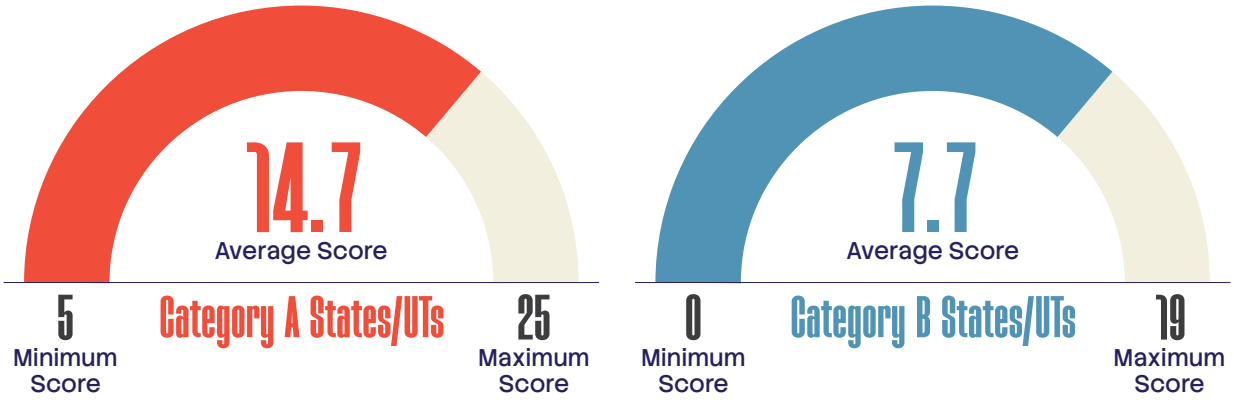
Figure 30: Number of States/UTs participated in each Action Point



Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 14.7 for Category A and 7.7 for Category B States/UTs. The maximum score was observed to be 25 and 19 for Category A and B States/UTs respectively.

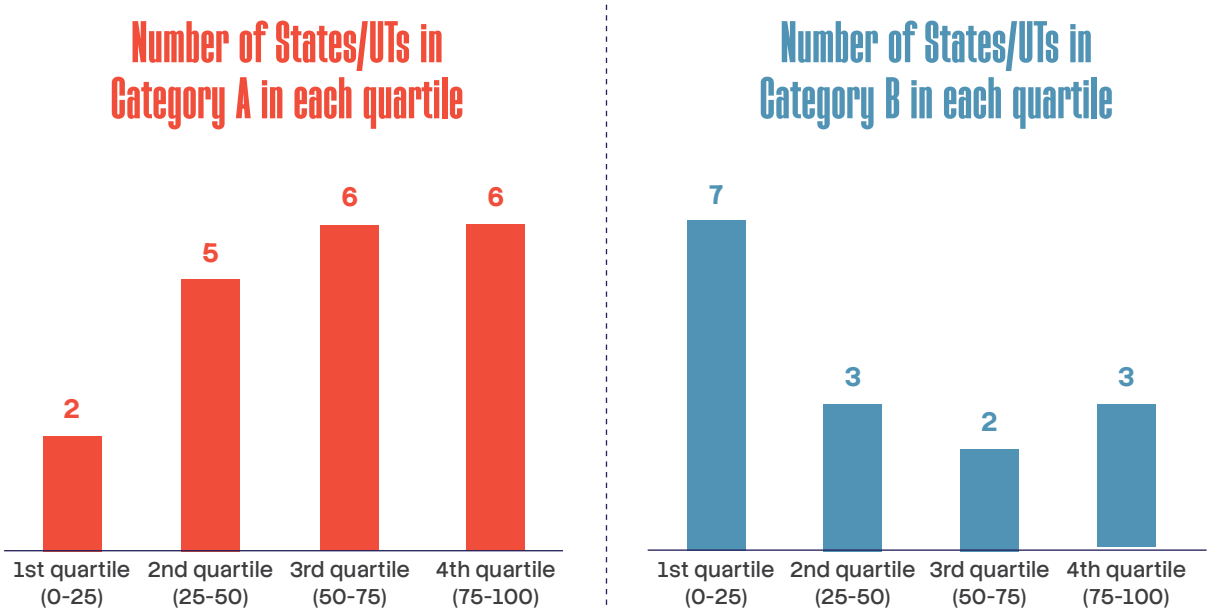
Figure 31: Average score of State/UTs from Category A and Category B



Performance Summary of 'Institutional Support' Reform Area

6 States/UTs from Category A and 3 States/UTs from Category B scored in the range of 75 – 100 percentiles in the Reform Area 1

Figure 32: Number of States/UTs under Category A and B in quartile

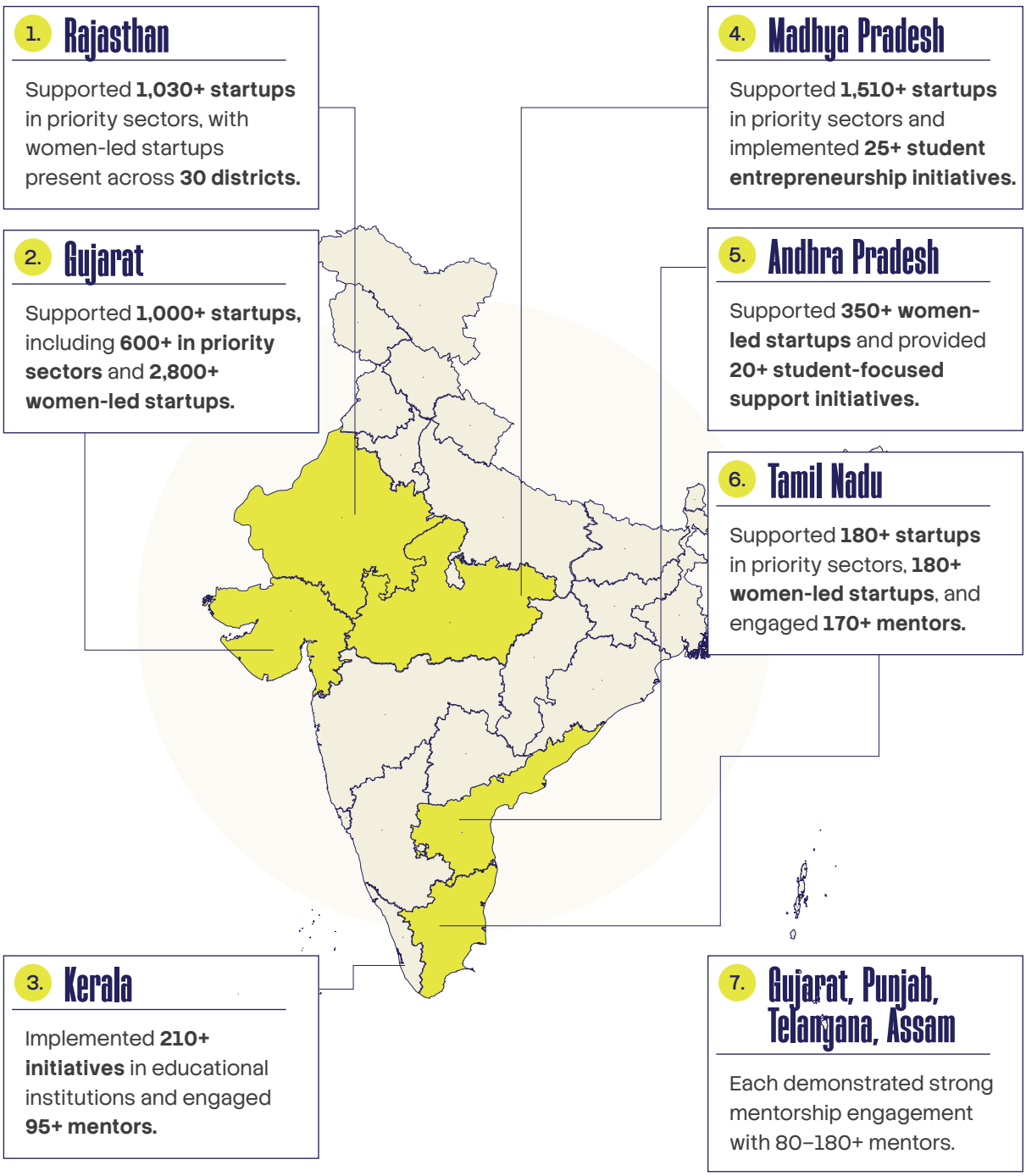


Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 1.

As per the submissions made by the participating States / UTs for **Action point 1,** below is a brief overview of the States and UTs with an active State Startup Policy, Nodal Officer, Nodal Department, and dedicated Team to support Startups.

Figure 33: Key Insights of Reform Area 1



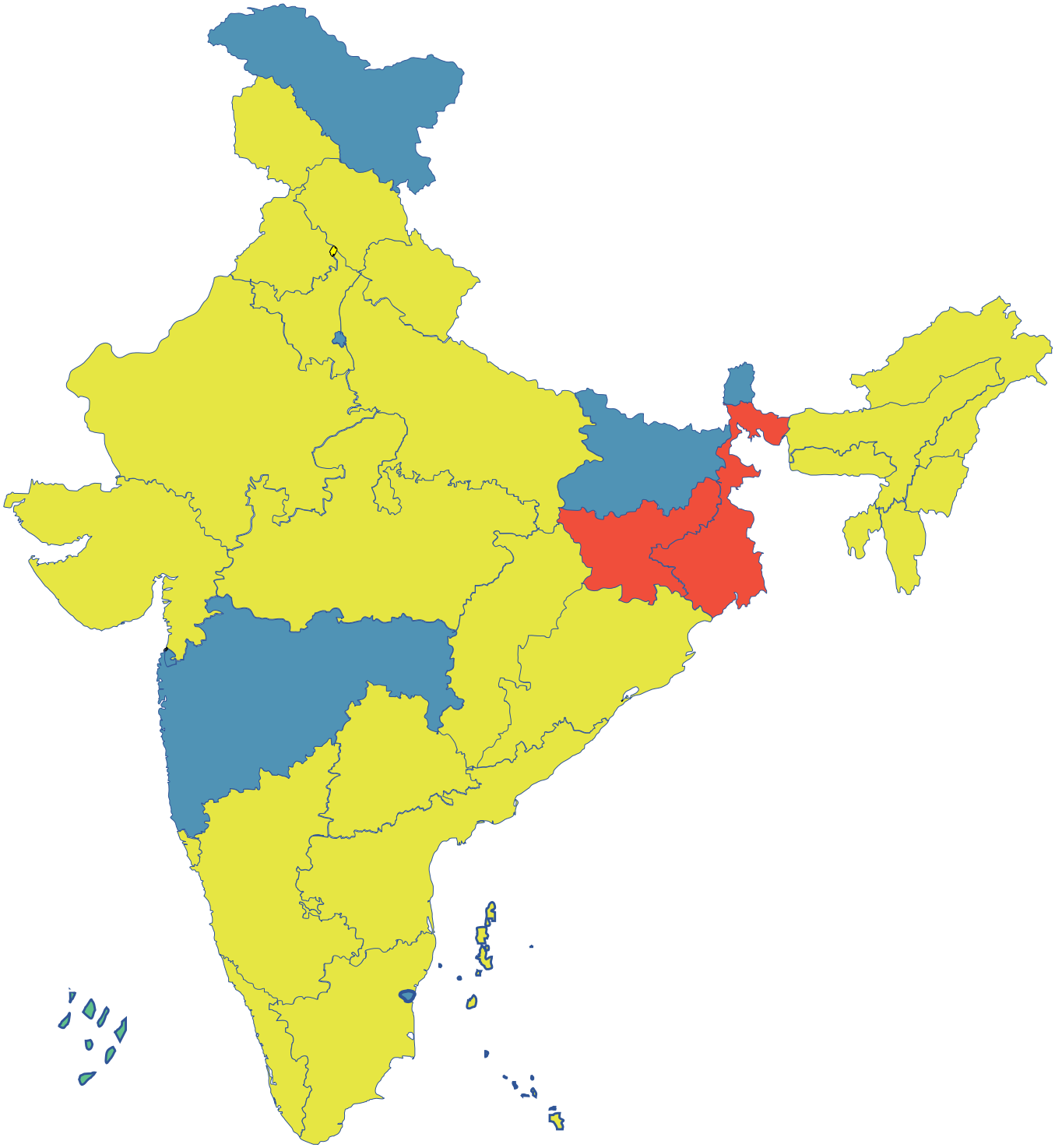
Key Insights from Action Point 1

State & UTs that shared active Startup Policy and details on Nodal officer, Nodal department, and Dedicated team to support startups

States & UTs that shared either active Startup Policy or details on Nodal officer or Nodal department or Dedicated team to support startups

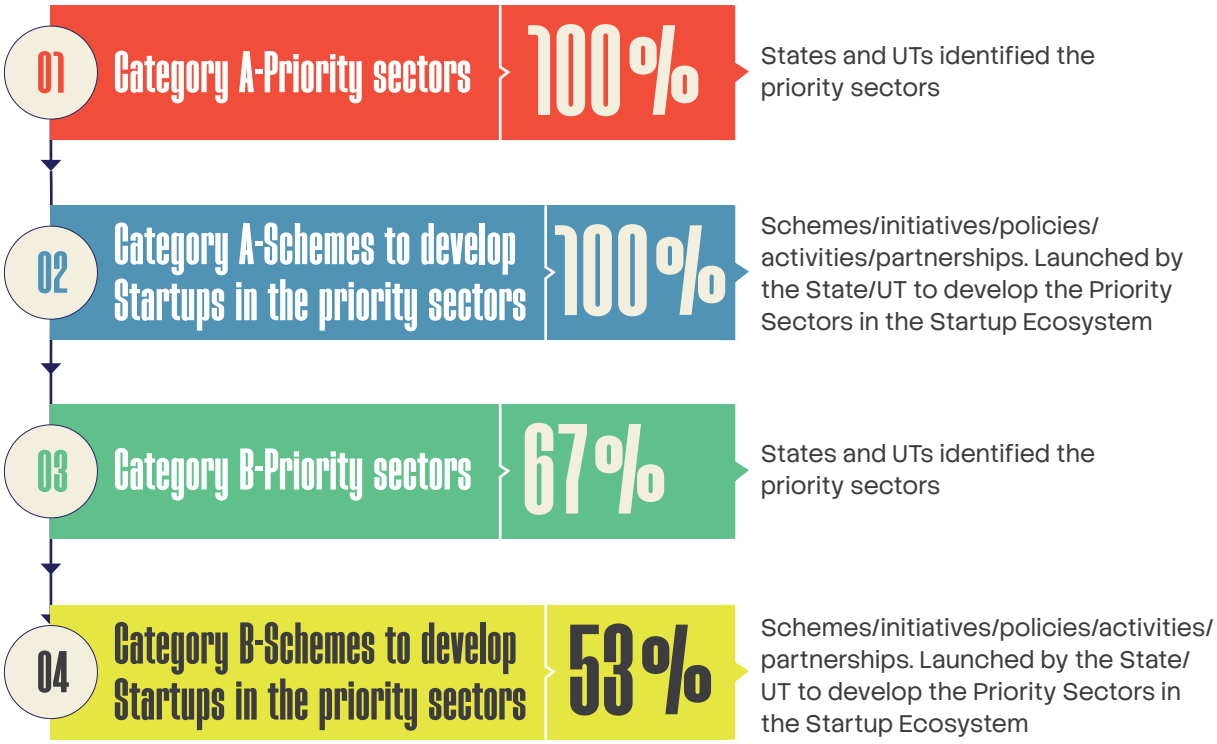
States & UTs that did not provide any active Startup Policy and details on Nodal officer, Nodal department, and Dedicated team to support startups

States/UTs that didn't participate (2 States/UTs)



As per the submission for **Action Point 2**, focusing on the development with a futuristic and disruptive focus, priority sectors were identified by all participating States / UTs from Category A and by 67% States / UTs from Category B.

Figure 35: Key Insights from Action Point 2



Under **Action point 3,** focusing on the women-led startups that received support for entrepreneurial development, only 84% of the submissions from States/UTs from Category A met the prescribed qualification criteria out of all the States/UTs which submitted details on women-led startups supported during the period of consideration. On the other hand, for Category B states/UTs, only 40% of the submitted details related to the support provided to women-led startups were qualified.

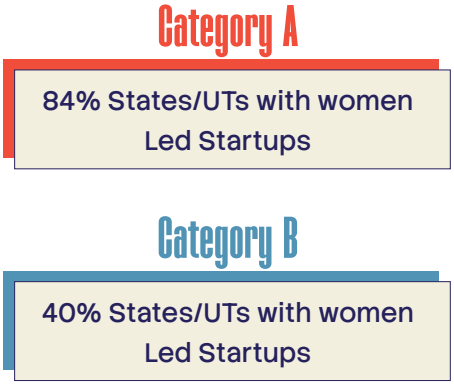
In total,

5620+

women-led startups

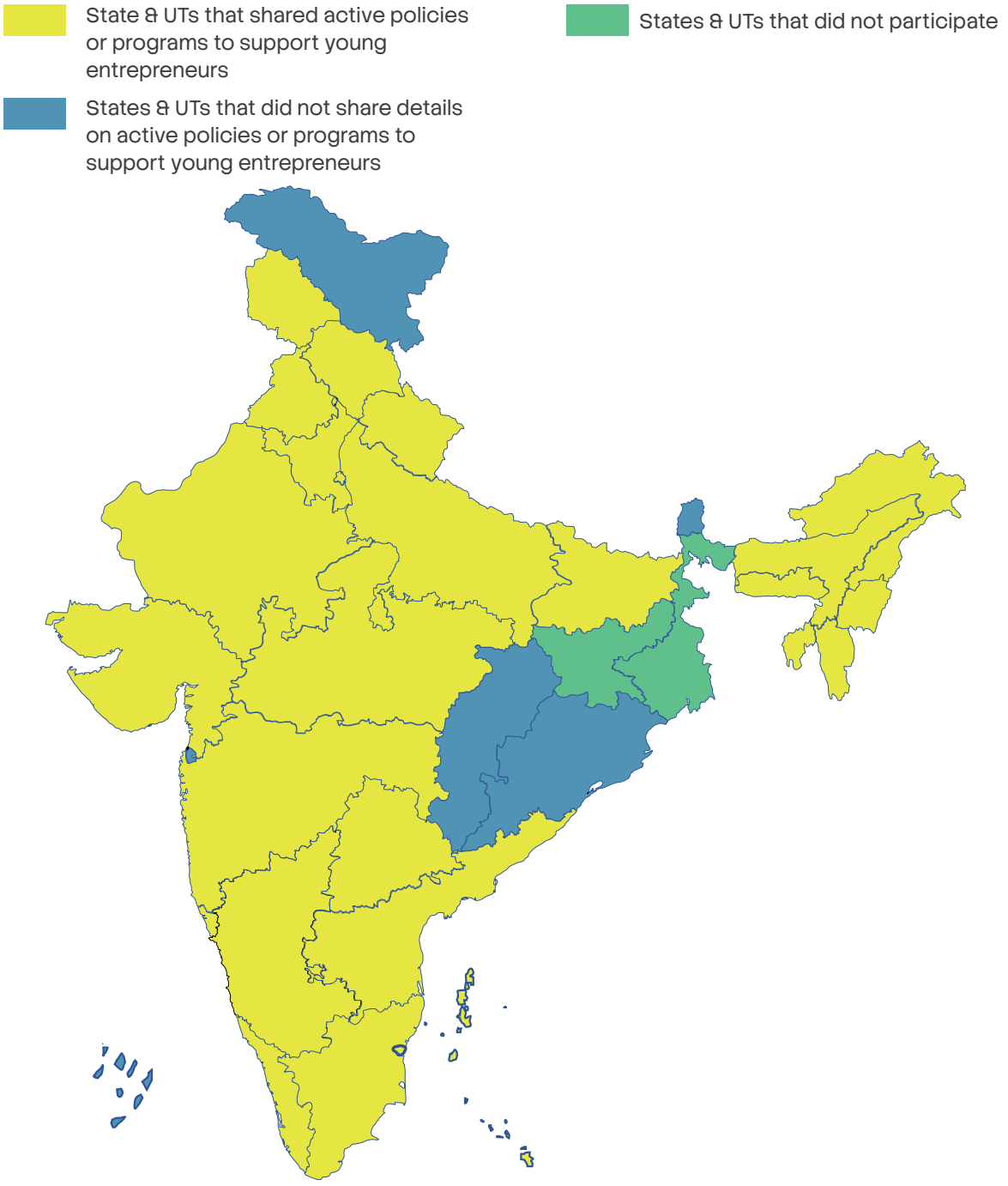
were supported by all States/UTs during the period of consideration.

Figure 36: Key Insights from Action Point 3



Action point 4 focuses on the schemes/initiatives and programs provided in educational institutions to support student entrepreneurs in respective States / UTs.

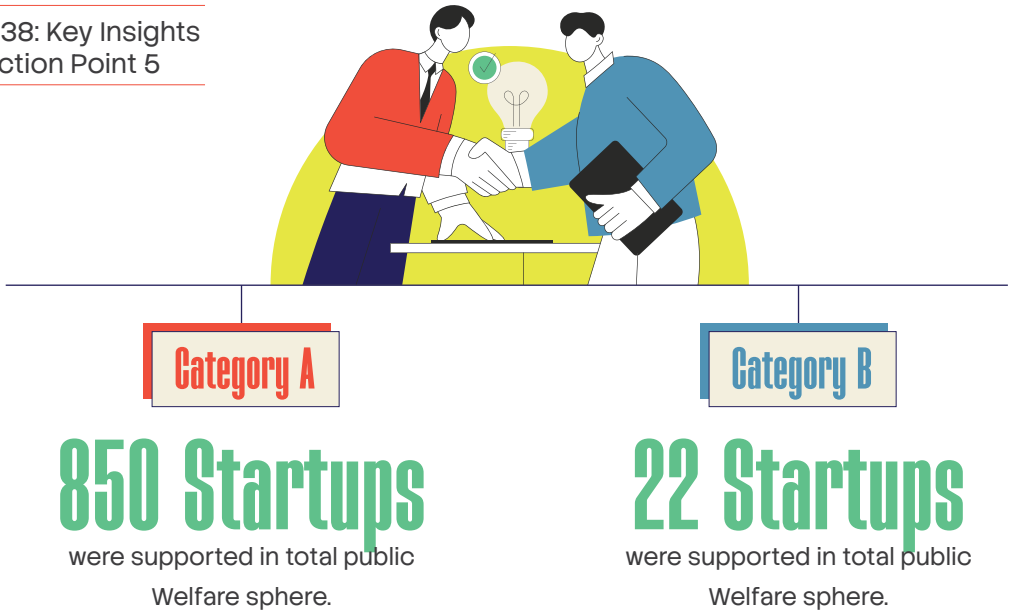
Figure 37: Key Insights from Action Point 4



Action point 5 focuses on assessing the support provided by the State / UT to Startups in the public welfare sphere to create positive and lasting changes in society.

Overall, **19 States & UTs submitted** atleast one scheme, notification or order detailing special incentives to support startups toward public welfare development. Besides, **14 States & UTs defined, and published in public domain**, which startups qualify to be public welfare startups.

Figure 38: Key Insights from Action Point 5



Action point 6 focuses on the number of mentors who provided support to the startups facilitated by the State government. The mentors are registered on the MAARG portal, including Corporates (including but not limited to corporations, MSMEs, entrepreneurs, innovators, makerspaces, NGO partners), Government organizations, investors, higher education institutes, and academicians (including applicants from research organizations).

Overall, **1330+ mentors from Category A & 145+ mentors from Category B States/UTs** provided mentorship support to Startups during the period of consideration, based on the documentary evaluation of data submitted.

Figure 39: Key Insights from Action Point 6

Overall, **1470+ unique mentors provided mentorship support** to Startups during the period of consideration, based on the evaluation of details submitted by States/UTs

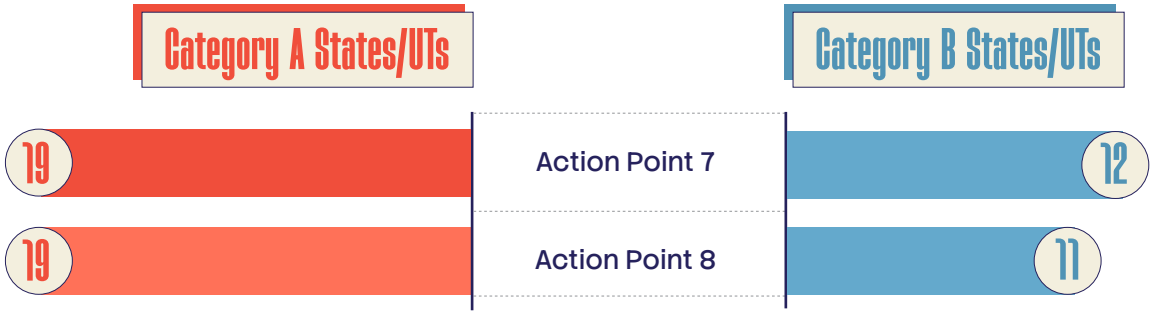
5.3.2 Reform Area 2- Infrastructure Support

Under Reform area 2, Action Point 7 **'Access to Digital Infrastructure'** evaluates the extent to which the State/UT provides a robust online ecosystem for startups. It assesses the number of startups registered on the State Startup Portal and examines the digital availability of key policy processes such as incentive applications, grievance redressal mechanisms, and accessibility features, including support for local languages and Persons with Disabilities (PwD). Action Point 8 '**Access to Physical Infrastructure'** focuses on the availability and enhancement of physical facilities that support startup growth. It evaluates the establishment of new manufacturing incubators, upgrades made to existing ones for hardware or manufacturing startups, and the overall number of startups that have received incubation support during the assessment period.

Participation status

The Reform Area 2 saw participation of 31 States / UTs in action point 7 and 30 States / UTs in action point 8 across Category A and Category B:

Figure 40: State/UTs participation status from Category A and B



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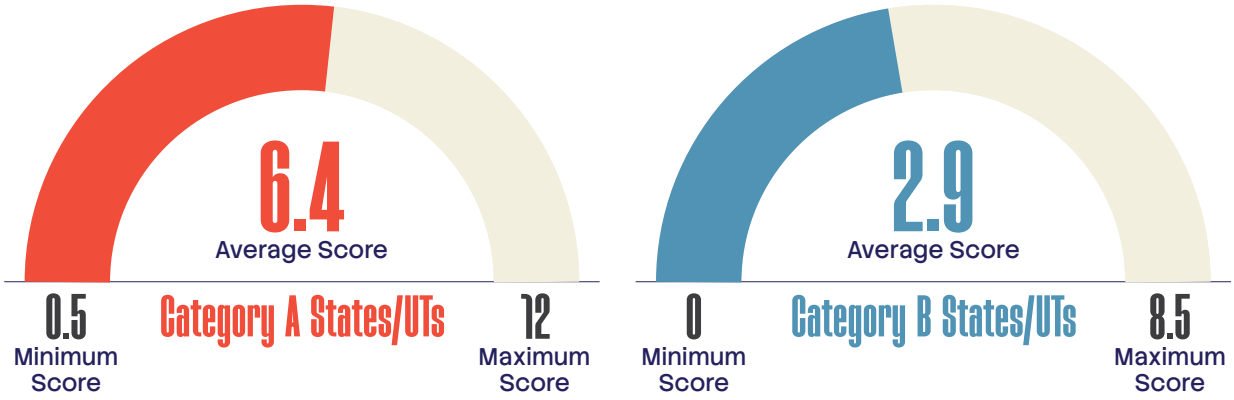
Analysis of scores

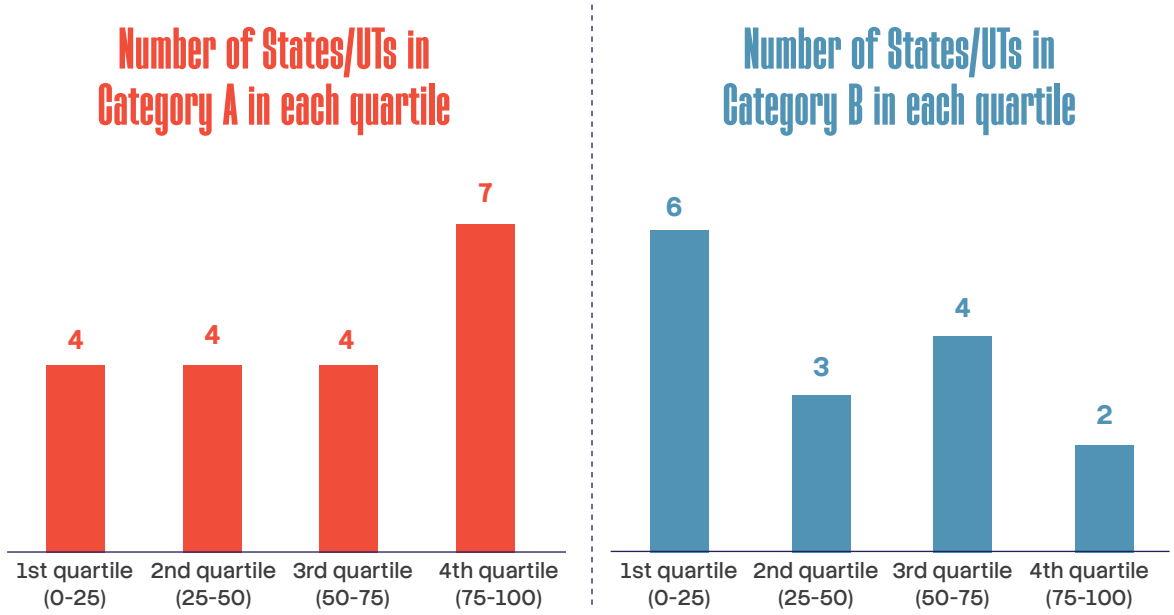
Based on the assessment, the category-wise average scores of this reform area stand at 6.4 for Category A and 2.9 for Category B States/UTs. The maximum score was observed as 12 and 8.5 for Category A and Category B States / UTs respectively.

Figure 41: Average score of States/UTs from Category A and B



Performance Summary of Infrastructure Support

Based on the performance under Infrastructure Support reform area, 9 States/UTs are placed in the 75 – 100 percentiles (4th Quartile) wherein 7 States/UTs from Category A and 2 States/UTs from Category B.



Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 2.

Action point 7 focuses on evaluating the comprehensiveness and accessibility of the State Startup Portal. It assesses how effectively States and UTs are facilitating startup engagement through their online platforms. The key aspects under review include the total number of startups registered on the portal and the extent to which essential features are integrated such as the digital availability of incentive applications, a functional grievance redressal mechanism, multilingual accessibility in the local or official language, and provisions ensuring that the website is accessible to Persons with Disabilities (PwD).

Figure 42: Key Insights of Reform Area 2

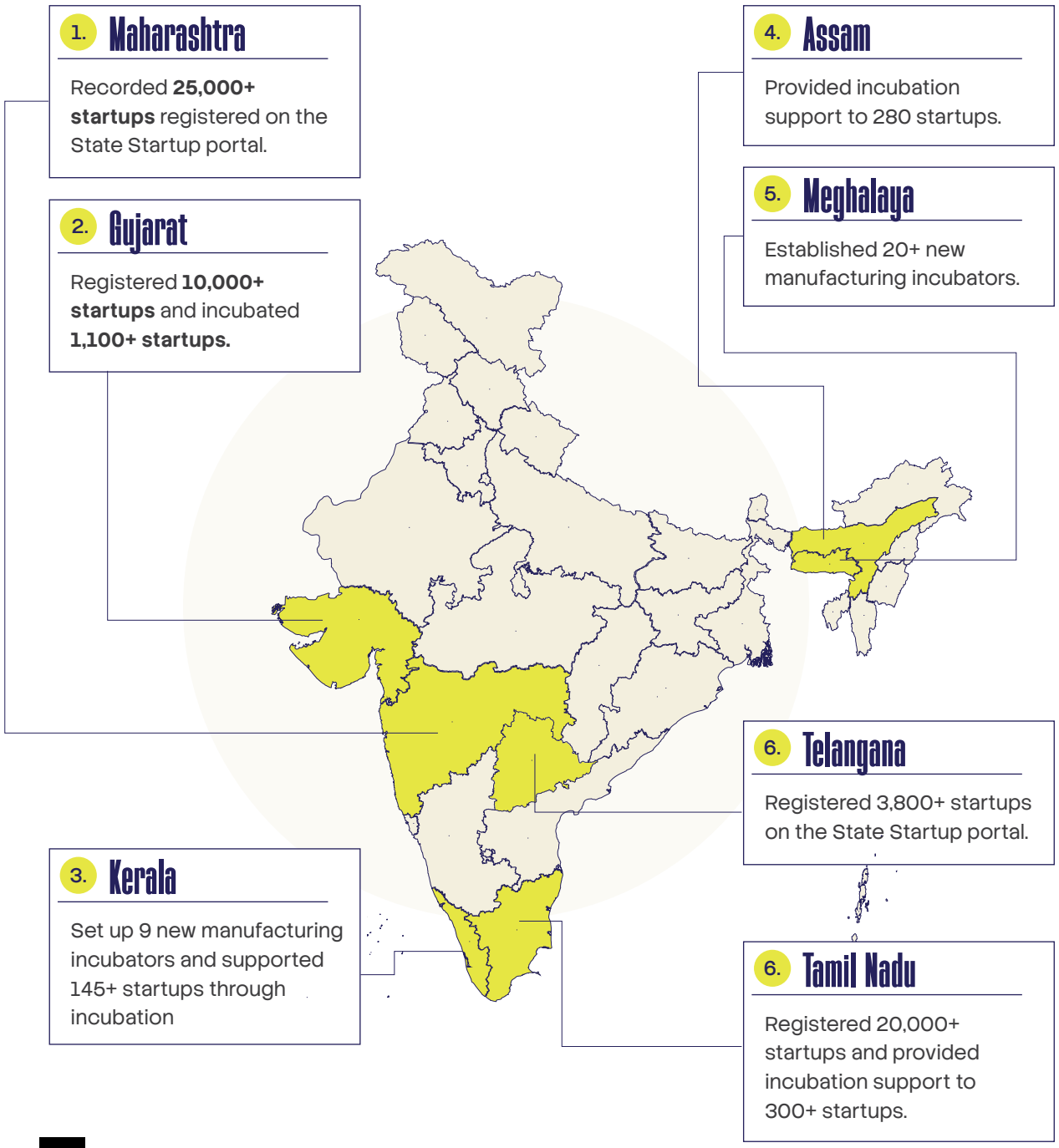
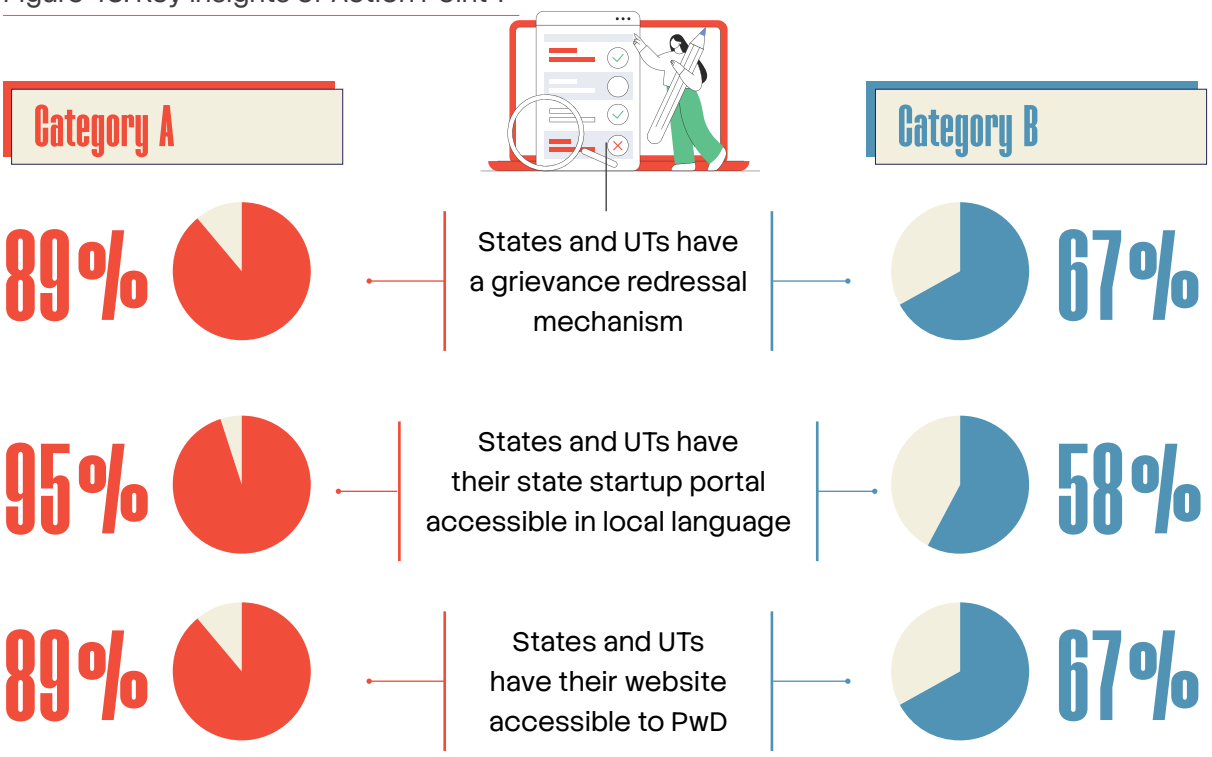
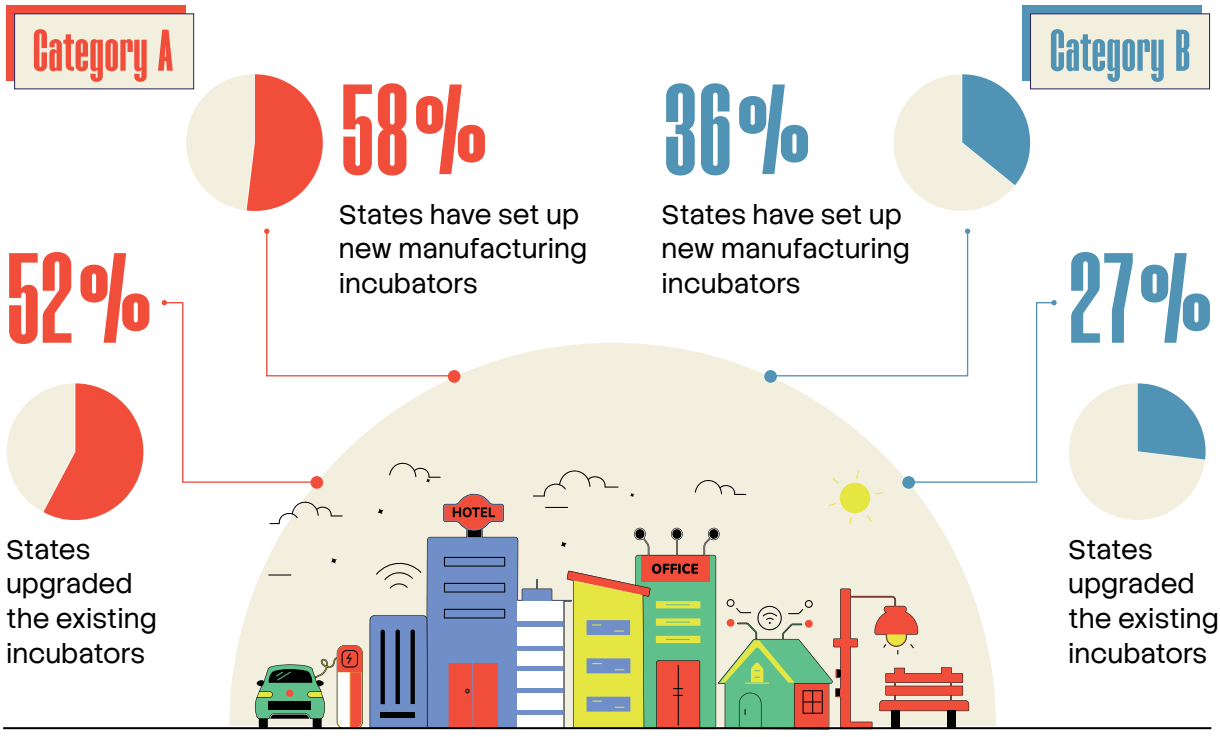


Figure 43: Key Insights of Action Point 7



Action point 8 focuses on assessing the efforts of States and UTs in strengthening the manufacturing and hardware startup ecosystem. It looks at the establishment of new manufacturing incubators, the upgradation of existing ones to support hardware-focused startups, and the number of startups that have received incubation support during the review period. The aim is to evaluate how effectively States are building infrastructure and providing support systems to nurture innovation and growth in the manufacturing sector.

Figure 44: Key Insights of Action Point 8



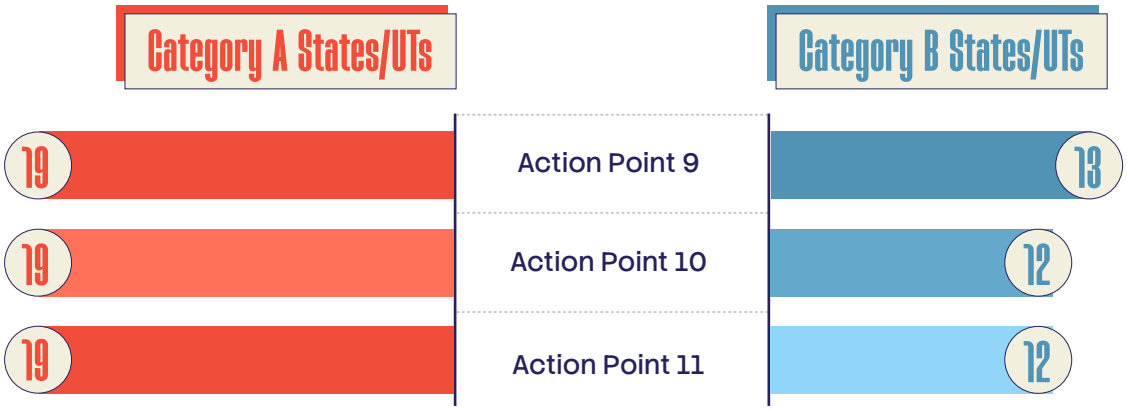
5.3.3 Reform Area 3- Funding Opportunities

The 'Funding Opportunities' reform area is designed to strengthen the financial infrastructure available to startups by encouraging States and UTs to establish or support dedicated funding mechanisms. These include Seed Funds, Venture Funds, and Fund of Funds that are either newly created or actively maintained by the State. A key aspect of this initiative is the prioritization of sectoral allocations within these funds, ensuring that startups operating in identified priority sectors receive targeted financial support. Additionally, States are further encouraged to collaborate with banking and financial institutions to introduce special funding provisions that cater to the evolving needs of startups, thereby enhancing their access to capital.

Participation status

Given below is a brief snapshot of the States and UTs that participated in Reform Area 3:

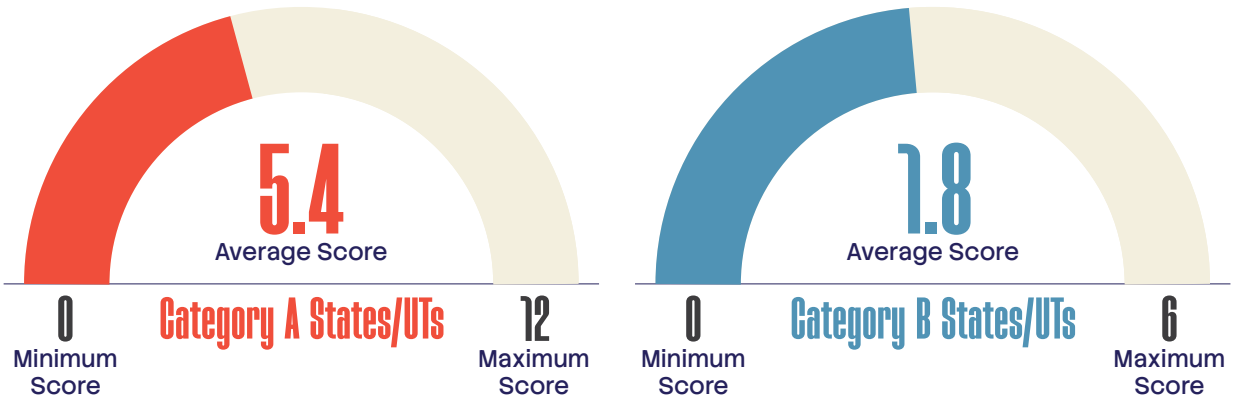
Figure 45 : Number of States/UTs participated in each Action Point



Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 5.4 for Category A and 1.8 for Category B States/UTs. The maximum score was observed as 12 for Category A and 6 for Category B States / UTs.

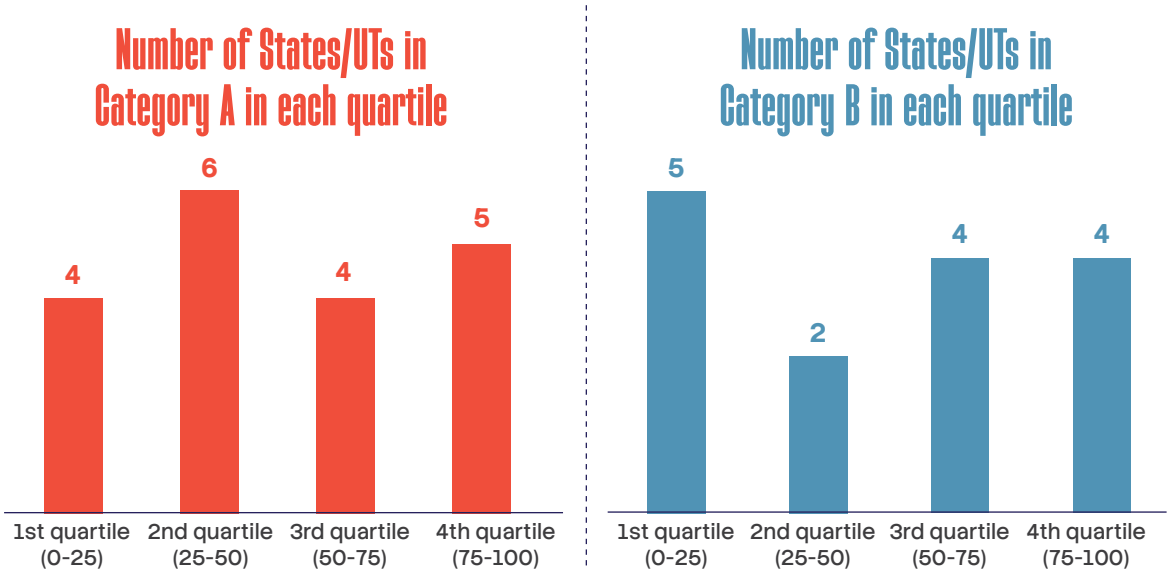
Figure 46 : Average score of States/UTs from Category A and B



Performance Summary of Funding Opportunities

Under the Funding opportunities reform area, 5 States/UTs from Category A and 4 States/UTs from Category B are placed in the 4th quartile (75-100 percentiles).

Figure 47: Number of States/UTs under Category A and B in quartile



Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 3.

Action Point 9 aims to assess how the State/UT is enabling startup access to finance through two major dimensions:

- First, it checks whether the State has established or supported a Seed Fund, Venture Fund or Fund of Funds dedicated to startups, and whether that fund has earmarked allocations for startups in priority sectors within its domain.
- Second, it evaluates whether the State has initiated special funding arrangements in collaboration with banks or financial institutions to facilitate startup financing.

The objective is to examine both the availability of structured public-funding mechanisms and the partnership models that link startups to formal financial institutions.

Figure 48: Key Insights of Action Point 9

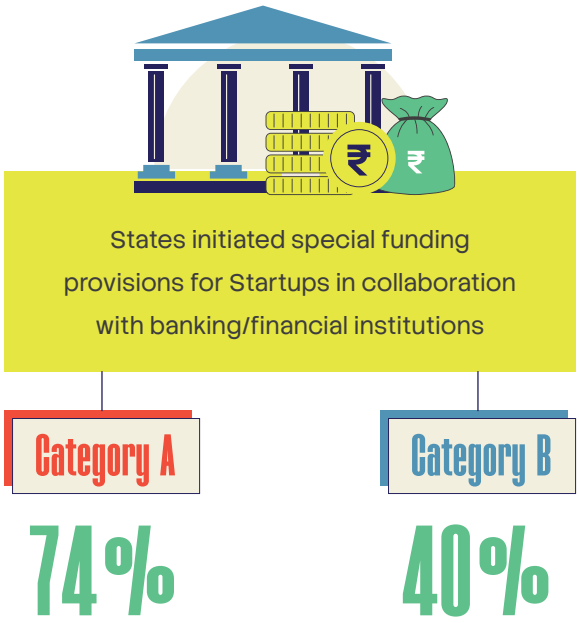
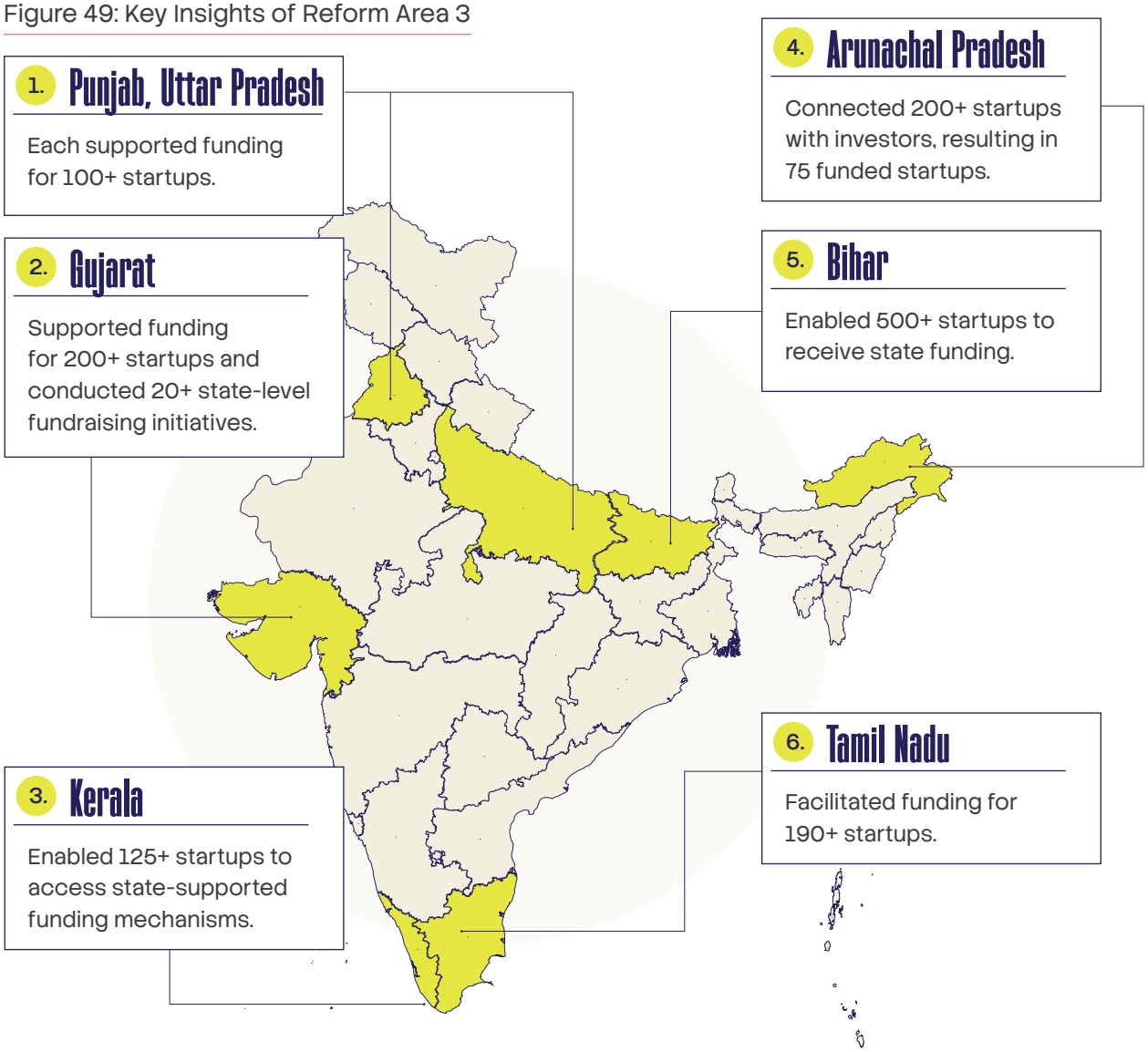


Figure 49: Key Insights of Reform Area 3



Based on the documentary evaluation, 20+ States/UTs have initiated special funding provisions for Startups in collaboration with banking/financial institutions during the period of consideration, including States/UTs like Gujarat, Karnataka, Maharashtra, Andhra Pradesh, among others in Category A and Arunachal Pradesh, Himachal Pradesh, Meghalaya, Mizoram, among others in Category B.

Action point 10 focuses on the startups that received funding through state-supported funds or mechanisms.

Overall, **2030+ startups across Category A & B** received funding through state-supported funds or mechanisms. Besides, 21% of the Category A and States/UT are awarded full-marks based on their submissions under Action Point 10

Figure 50: Key Insights of Action Point 10

Share of States/UTs from Category A & B with different Scores	
Awarded 3 marks (viz. Category A >150 startups; Category B >100 startups)	**Awarded 2 marks** (viz. Category A - 51-150 startups; Category B - 51-100 startups)
Category A – 21% of 19 States/UTs Category B – 0	Category A – 32% of 19 States/UTs Category B – 7% of 15 States/UTs

Action point 11 evaluates how effectively a State facilitates access to capital for its startup ecosystem. It examines the number of State-led programs that include pitching sessions aimed at promoting angel funding, equity financing, or debt financing, such as investor meets, demo days, and startup showcases. In addition to the volume of these initiatives, the action point also measures their impact by assessing the number of successful connections created between startups and investors through these programs or partnerships.

Overall, **210+ unique Startups have been connected with investors across 210+ programs with pitching sessions** undertaken by state to promote angel funding, equity financing, debt financing for all States & UTs during the period of consideration.

Figure 51: Key Insights of Action Point 11

Number of states with initiatives undertaken to promote angel funding/equity funding and debt financing	**Category A: 84%** **Category B: 33%**
Number of successful connects between startups and investors	Category A: 26% Category B: 7%

5.3.4 Reform Area 4 – Market Access & Reach

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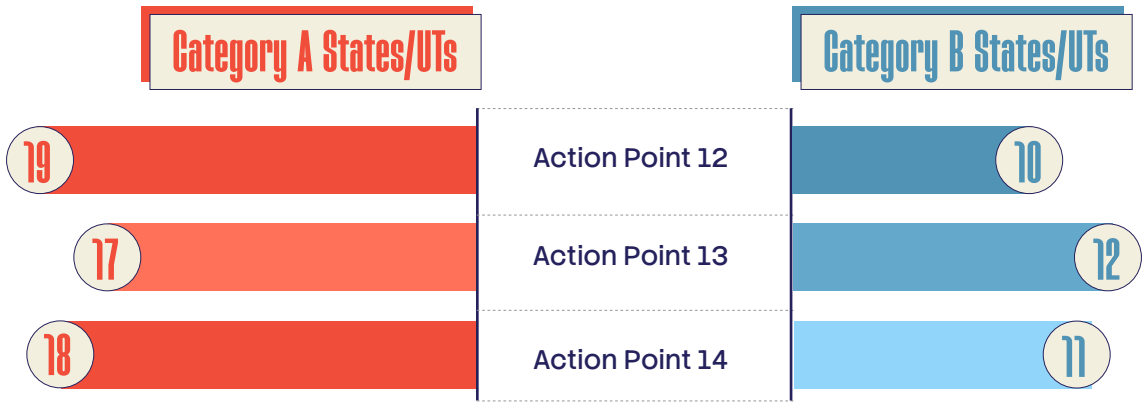
The Reform Area 'Market Access and Reach' aims to motivate State and UT Governments to enhance startup participation in public procurement and act as facilitators in creating market opportunities, both domestic and international, for startups. States and UTs are assessed based on their initiatives to support startups, including organizing showcase platforms such as Hackathons, Demo Days, Buyer-Seller Meets, GeM workshops, Grand challenges, and national/international events, as well as offering relaxed eligibility criteria for government work orders.

It evaluates the number of tenders floated with startup-friendly relaxations, the number of startups awarded work orders, and the reach of market access initiatives across districts. By assessing the breadth and depth of market access initiatives, this reform area highlights the role of states in helping startups scale and succeed in competitive markets.

Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 4:

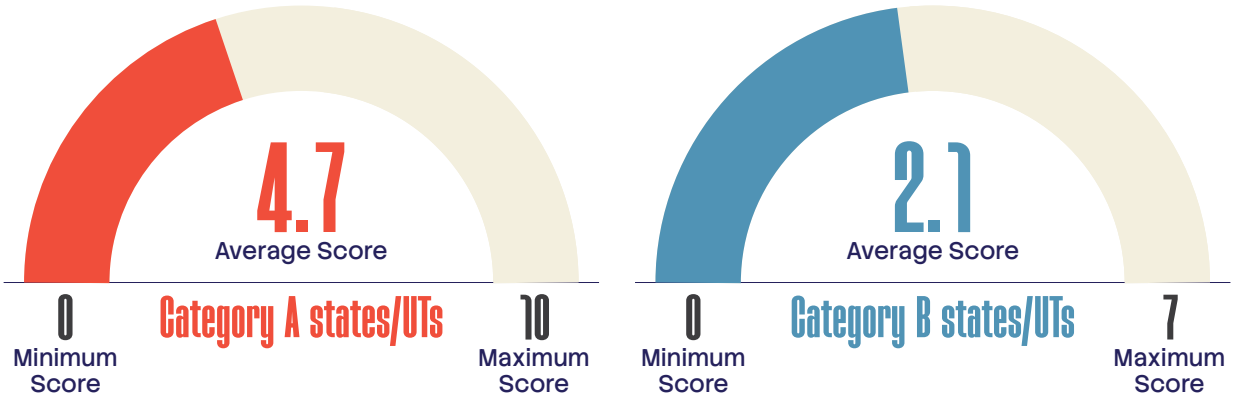
Figure 52: Number of States/UTs participated in each Action Point



Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 4.7 for Category A and 2.1 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 10, while for Category B it was observed to be 7.

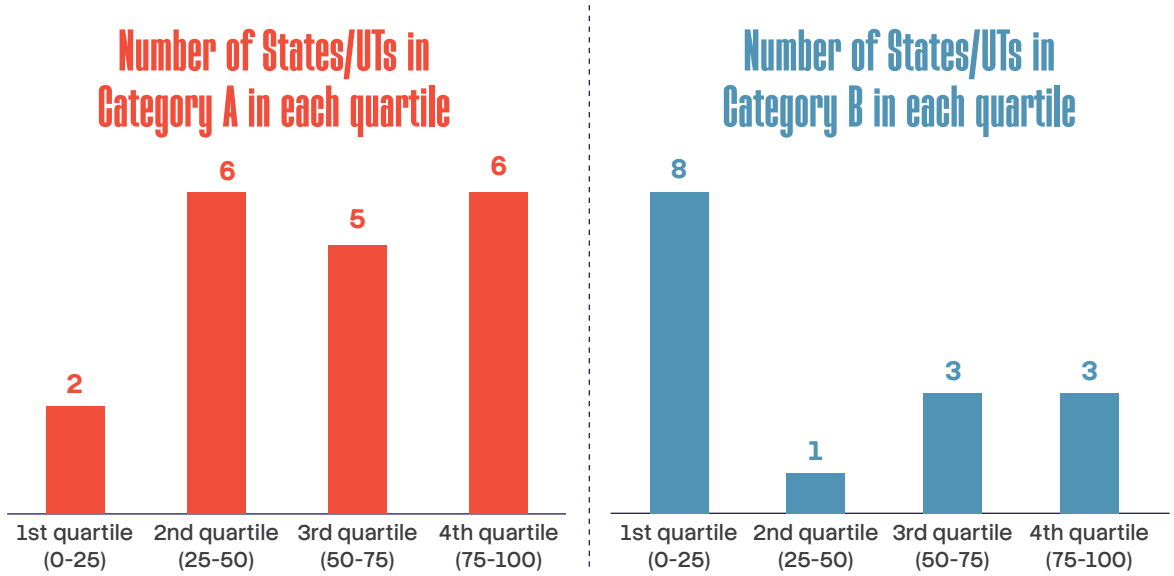
Figure 53: Average score of States/UTs from Category A and B



Performance Summary of Market Access & Reach

9 States & UTs have been positioned in the 4th quartile (viz. 75-100 percentile scores) wherein 6 States/UTs are Category A and 3 are Category B States/UTs.

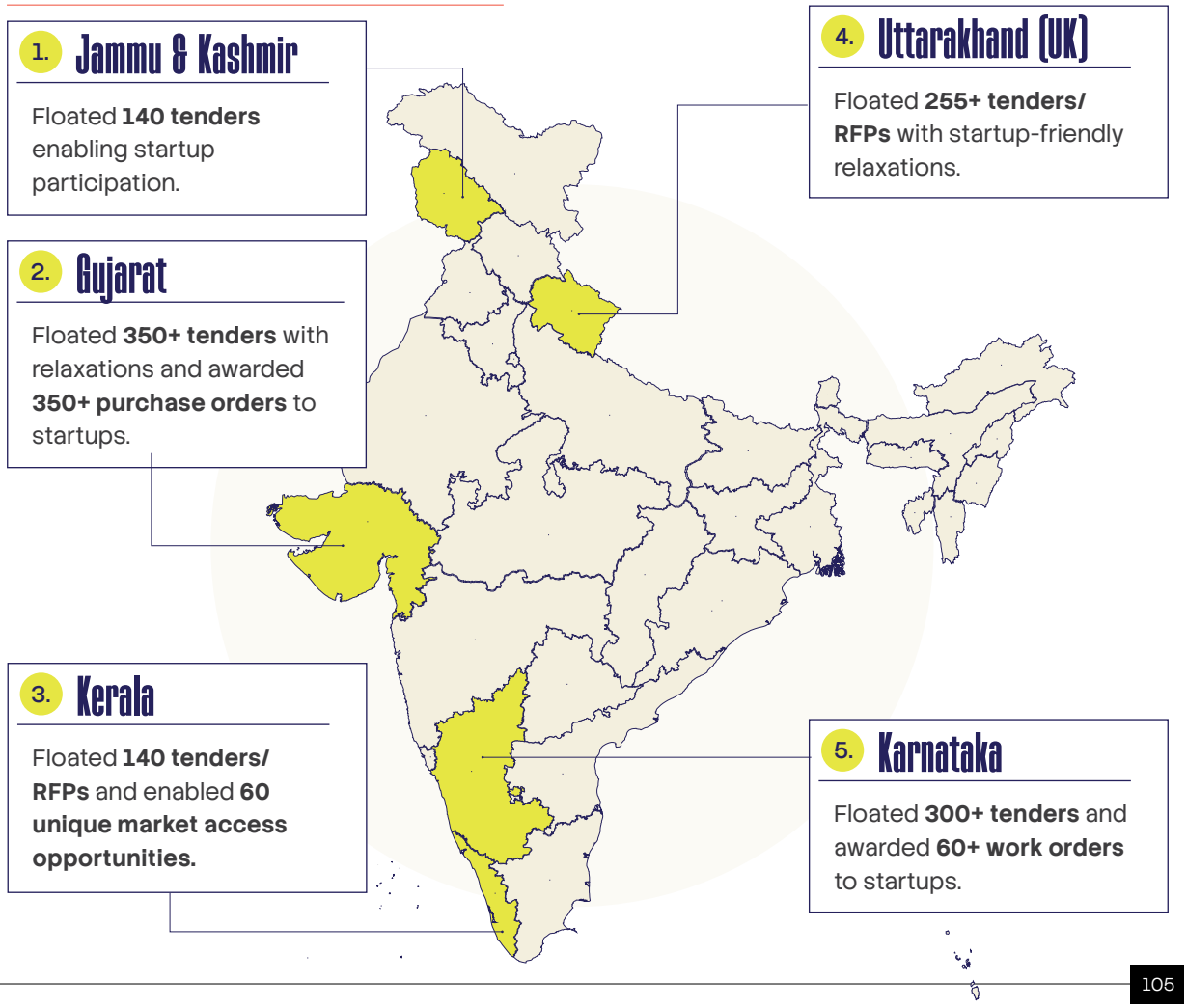
Figure 54:Number of States/UTs under Category A and B in quartile



Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 4.

Figure 55: Key Insights of Reform Area 4

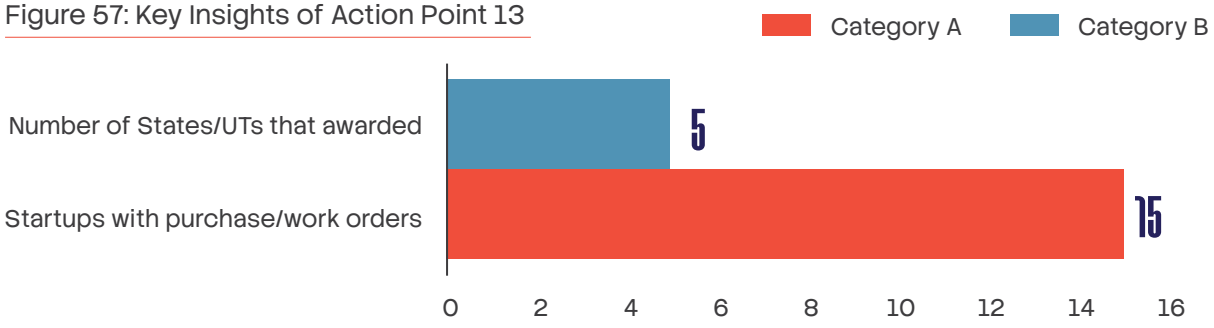


Action Point 12 focuses on the number of tenders floated by the State government/PSUs which allowed participation of startups through relaxations.

Figure 56: Key Insights of Action Point 12

Action Point 13 captures the number of startups that have been awarded with work orders/ purchase orders. Overall, 730+ startups have been awarded purchase/work orders across all States/UTs during the period of consideration, based on documentary evaluation. Besides, 23+ States/UTs submitted the details such as copies of Work Orders, etc., under this Action Point, out of which Work Orders from 20 States/UTs were qualified for scoring basis the mandatory guidelines under the framework.

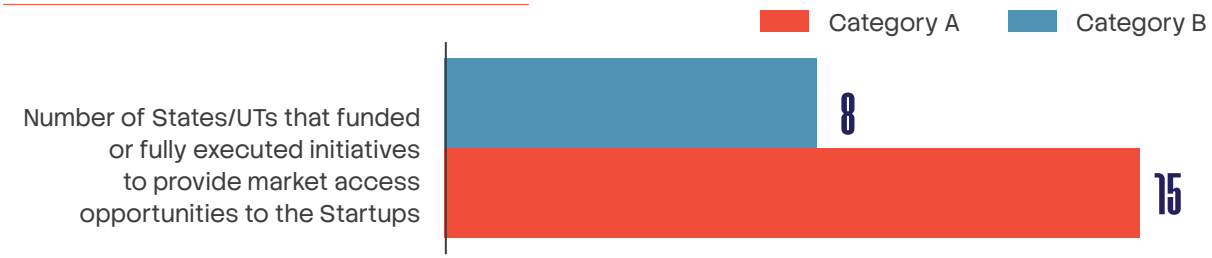
Figure 57: Key Insights of Action Point 13



Action point 14 focuses on the number of initiatives providing market access opportunities to the startups which are funded end to end by the State/UT. Overall, **530+ initiatives providing market access opportunities to Startups** have been conducted across all States/UTs during the period of consideration.

Based on the qualified documentary submissions, 15 out of 19 Category A States/UTs have initiated market access opportunities for Startups whereas 8 out of 15 Category B States/ UTs conducted events for Startups.

Figure 58: Key Insights of Action Point 14



5.3.5 Reform Area 5 – Ecosystem Capacity Building

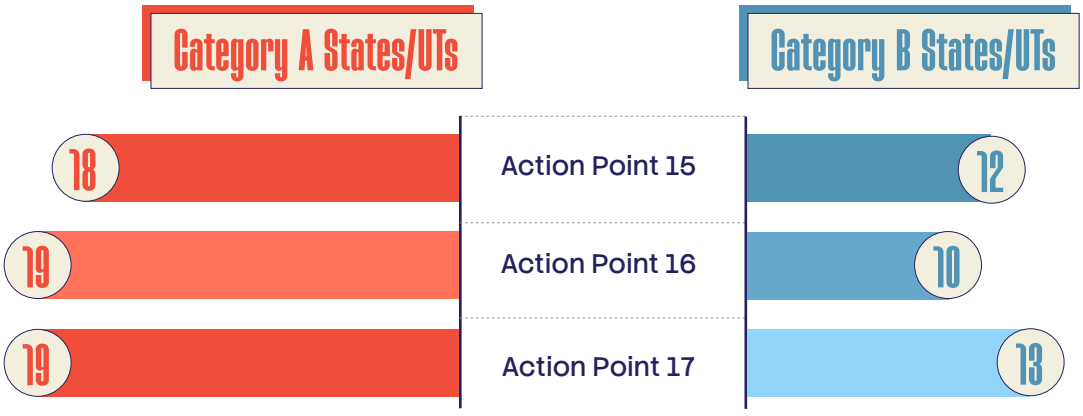
Capacity building of officials across State Government departments plays a crucial role in enhancing the startup ecosystem. As part of this Reform Area, States / UTs are evaluated based on the number of sensitization workshops or programs organized to enhance officials' understanding of India's startup landscape, as well as the level of departmental participation in these initiatives.

These efforts help align government departments with national startup policies and promote a more supportive administrative environment for entrepreneurs. The training of State-Supported Incubators section focuses on developing the capabilities of State-supported incubators that is vital for nurturing high-quality startups. States are assessed on the number of incubators trained through capacity development workshops aimed at improving incubation practices, mentorship quality, and operational efficiency. Such training initiatives contribute to building a robust network of incubators equipped to provide targeted support to emerging startups. Reform area also covers sensitizing key enablers such as mentors, investors, accelerators and startups themselves. As part of this Action Point, States / UTS are evaluated based on the number of programs conducted or supported to raise awareness and build capacity among these stakeholders.

Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 5:

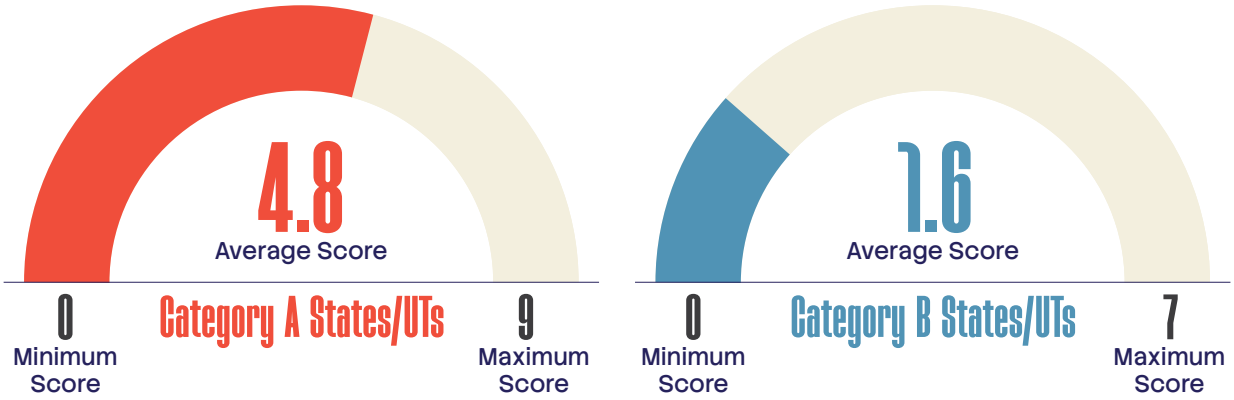
Figure 59: Number of States/UTs participated in each Action Point



Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 4.8 for Category A and 1.6 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 9, while for Category B it was observed to be 7.

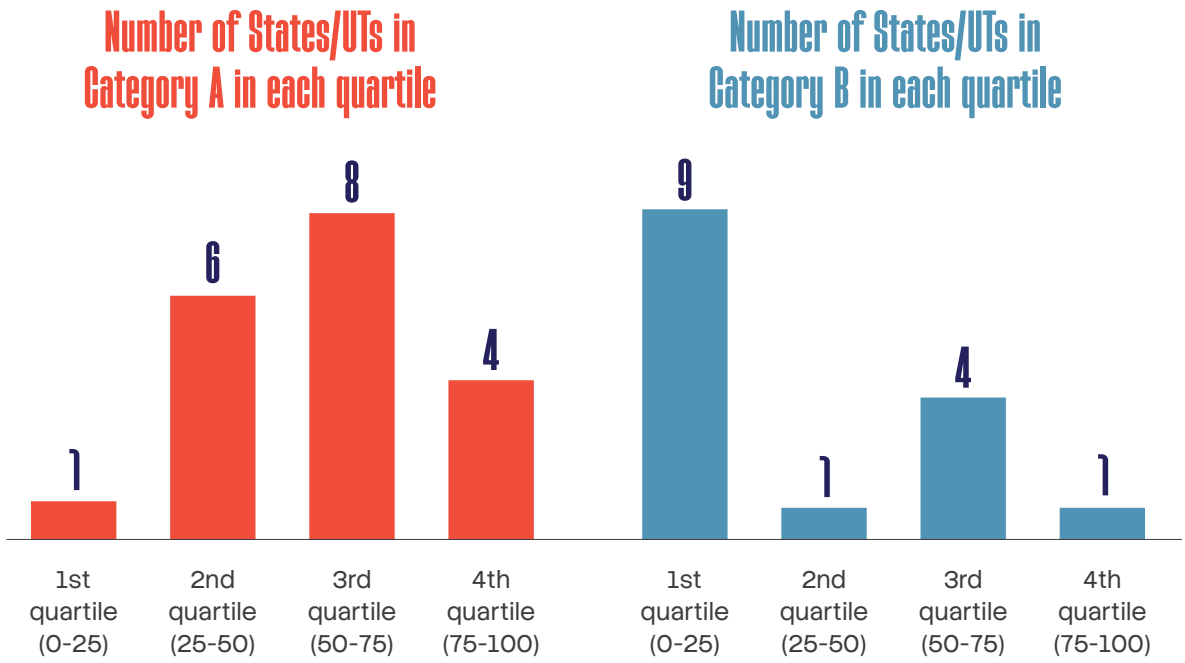
Figure 60: Average score of States/UTs from Category A and B13



Performance Summary of Ecosystem Capacity Building

5 States/UTs have been positioned in the 4th quartile (viz. 75-100 percentiles) based on their performance; wherein 4 States/UTs are from Category A and 1 from Category B.

Figure 61: Number of States/UTs under Category A and B in quartile

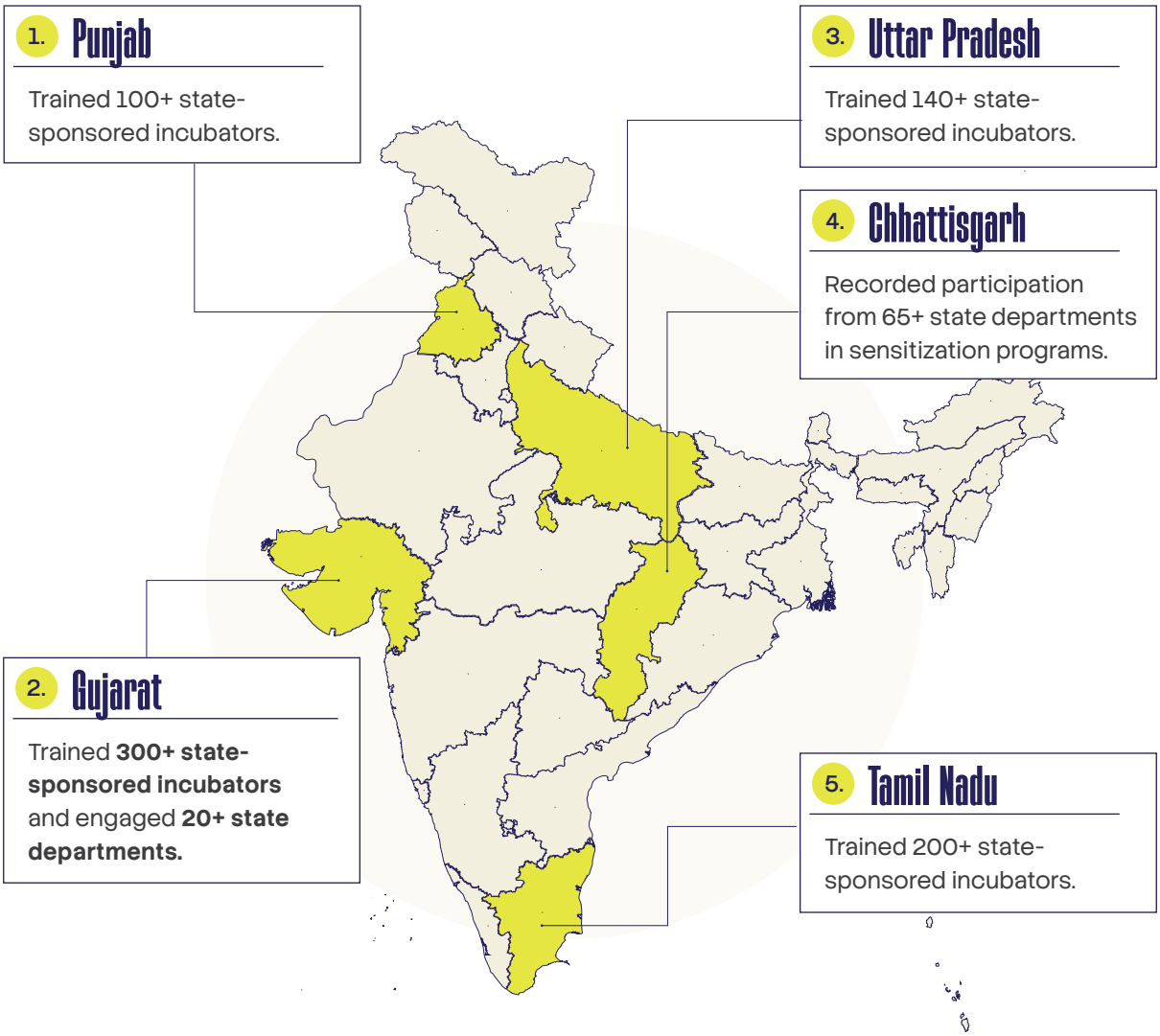


Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 5.

Action Point 15 assesses the extent to which the State/UT has undertaken sensitization efforts to build awareness among government officials about the Startup ecosystem. It examines the number of sensitization workshops or programs conducted for officials of various State departments, focusing on familiarizing them with policy interventions, support mechanisms, and the roles of different departments in encouraging a conducive startup environment. It also evaluates the level of departmental participation by reviewing how many State departments engaged in these sensitization initiatives. The objective is to understand both the scale of capacity-building efforts and the breadth of inter-departmental involvement in strengthening the State's startup ecosystem.

Figure 62: Key Insights of Reform Area 5



Under this Action Point, **321+ State/UT Departments** across all States/UTs participated in the sensitization workshops and programs during the period of consideration.

Action point 16 - This parameter assesses the extent to which the State/UT has strengthened the capabilities of its incubators through targeted training initiatives. It reviews the number of State-supported incubators that have been trained through capacity-development workshops aimed at improving their operational effectiveness, mentoring quality, and service delivery to startups. The objective is to evaluate how actively the State is investing in enhancing the competencies of incubator teams to ensure a more robust and supportive startup ecosystem.

Overall, **1140+ incubators have been trained through capacity building workshops** across States/UTs during the period of consideration, wherein majority have been under Category A (1140). On the scoring, 11% of Category A and 7% of Category B States/UTs have been awarded full marks (2 Marks) whereas 68% of Category A and 13% of Category B States/UTs have been awarded partial marks (1 Mark), based on the documentary evaluation.

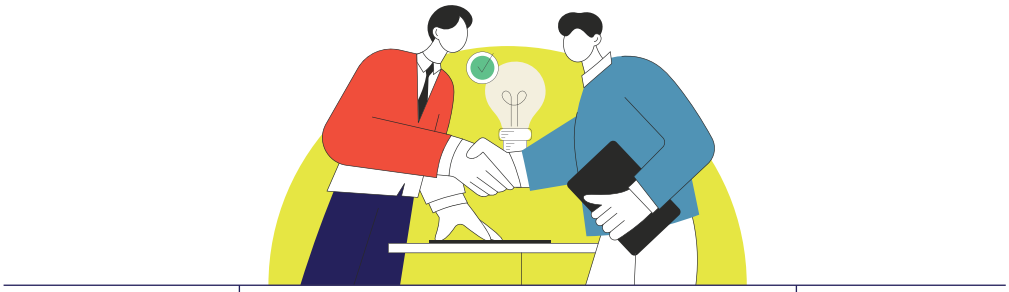
Figure 63: Key Insights of Action Point 16

States/UTs awarded 2 Marks (>50 percentile)	States/UTs awarded 1 Mark (1-50 percentile)
· 11% States/UTs from Category A · 7% States/UTs from Category B	· 68% States/UTs from Category A · 13% States/UTs from Category B

Action point 17 -This parameter aims to evaluate the State/UT's efforts to strengthen the broader startup ecosystem by sensitizing key ecosystem enablers. It examines the number of programs conducted or supported by the State to engage existing and potential mentors, investors, accelerators, and startups, with a focus on building their awareness of policy interventions, support mechanisms, and opportunities within the State's startup landscape.

Overall, **75+ programs conducted/supported to sensitize existing and potential ecosystem enablers** such as Mentors, Investors, Accelerators, etc.

Figure 64: Key Insights of Action Point 17



Category A

74%

States/UTs conducted workshops/ programs for the startups.

Category B

40%

States/UTs conducted workshops/ programs for the startups.

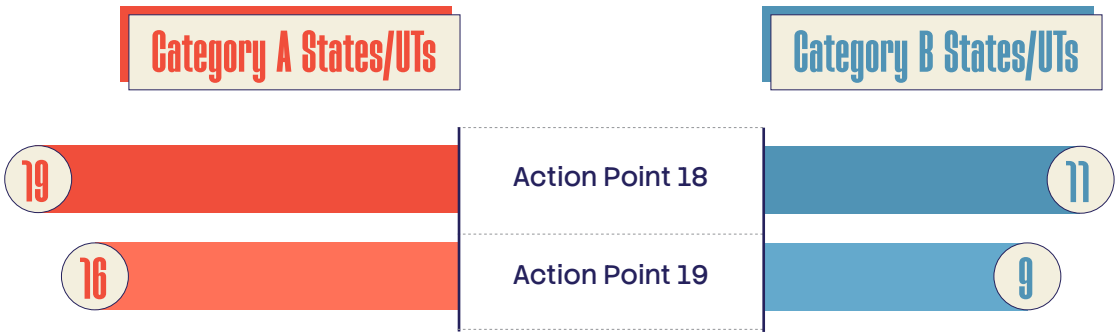
5.3.6 Reform Area 6 – Focus On Innovation And Sustainability

Innovation and sustainability are key to long-term economic and environmental resilience. This reform area analyzes how states are encouraging startups to develop cutting-edge solutions and adopt sustainable practices. It highlights the importance of protecting intellectual assets and investing in future-ready sectors. By tracking policy initiatives, support mechanisms, and beneficiary startups, this area underscores the role of states in driving responsible and impactful entrepreneurship.

Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 6:

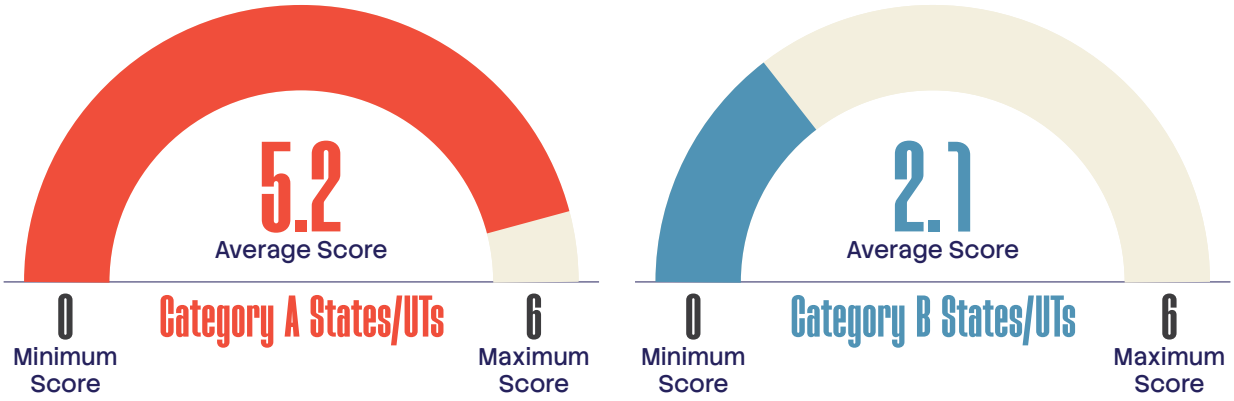
Figure 65: Number of States/UTs participated in each Action Point



Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 5.2 for Category A and 2.1 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 6, while for Category B it was observed to be 6.

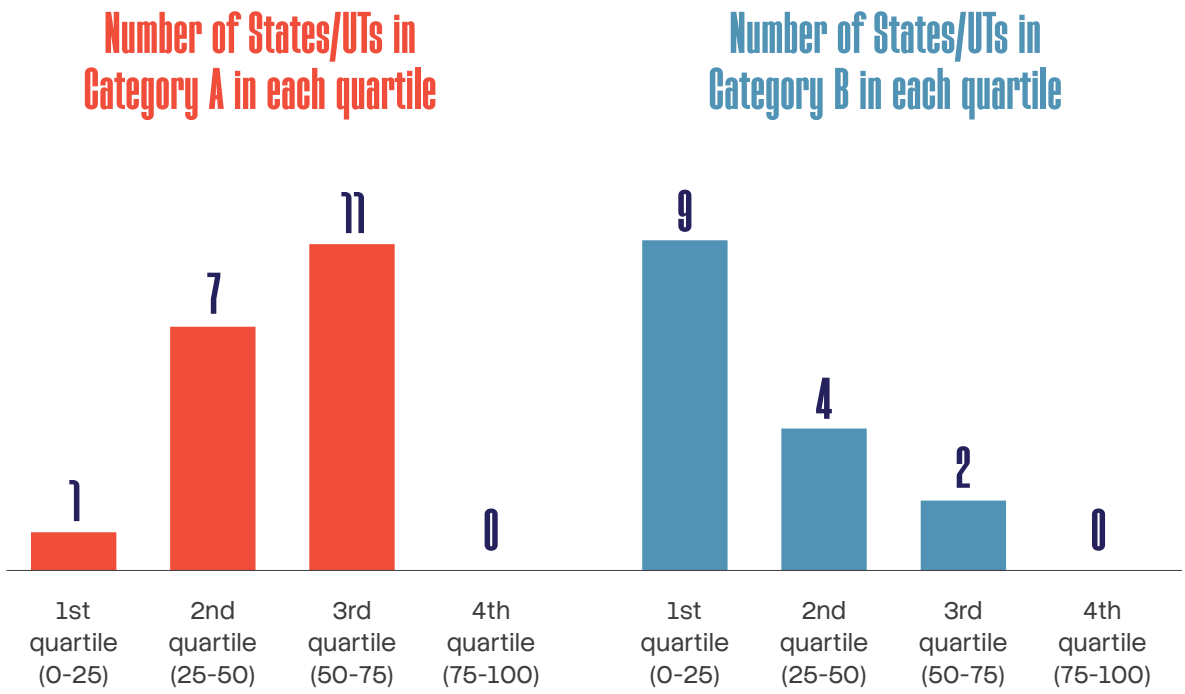
Figure 66: Average score of States/UTs from Category A and B



Performance Summary of Focus on Innovation and Sustainability

States/UTs have been positioned in the 3rd quartile (viz. 50-75 percentiles) based on their performance; wherein 11 States/UTs are from Category A and 2 from Category B.

Figure 67: Number of States/UTs under Category A and B in quartile



Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 5.

Action Point 18 assesses the State/UT's initiatives to support innovation among startups. It reviews whether special provisions have been introduced to facilitate and fast-track Intellectual Property Rights (IPR) and whether R&D support is provided for startups in priority sectors. The objective is to gauge how the State/UT encourages innovation, knowledge protection, and technology-driven growth for startups.

23+ States/UTs have introduced R&D support programs specifically targeting startups in priority sectors during the period of consideration.

Figure 68: Key Insights of Reform Area 6

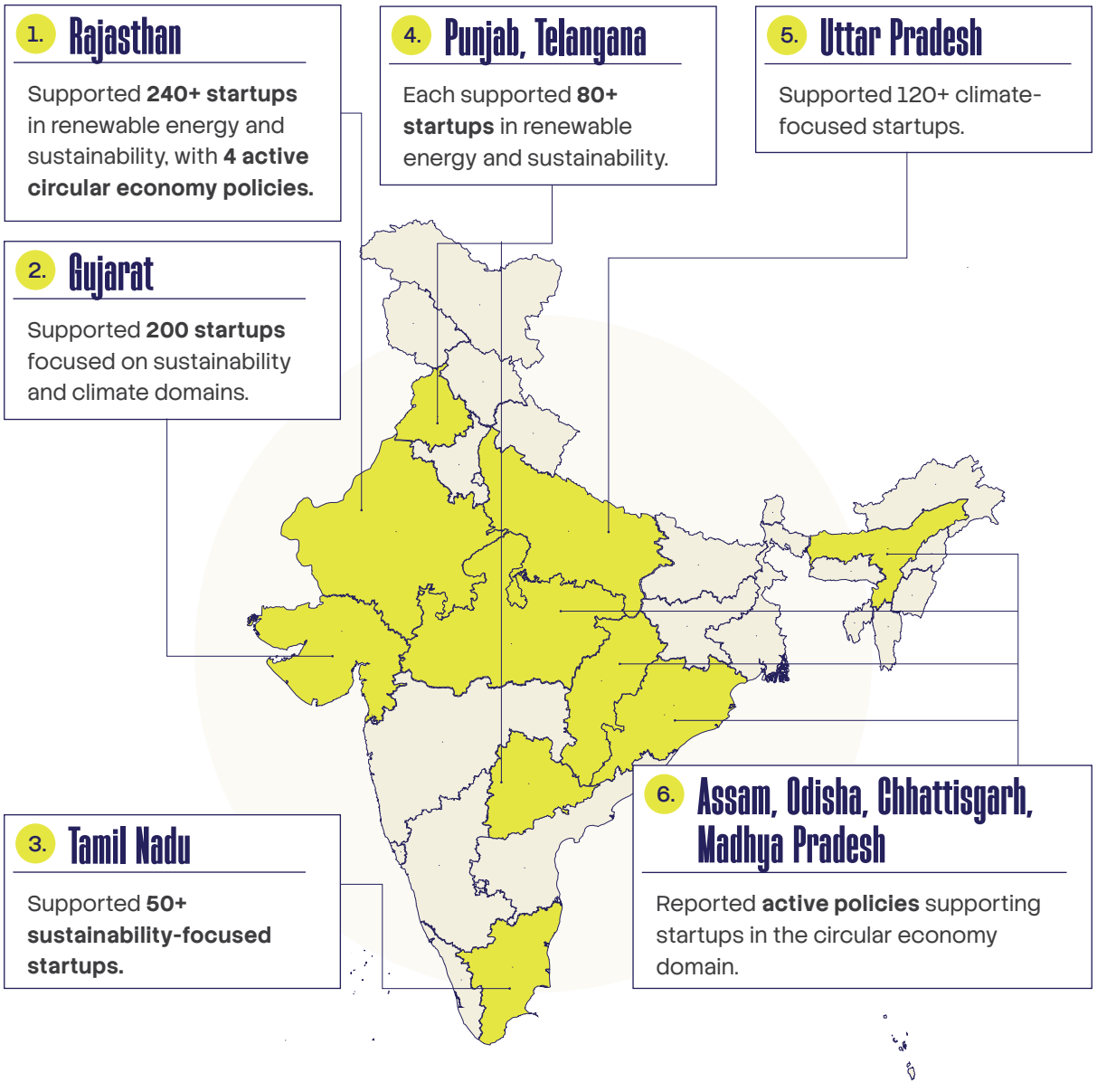
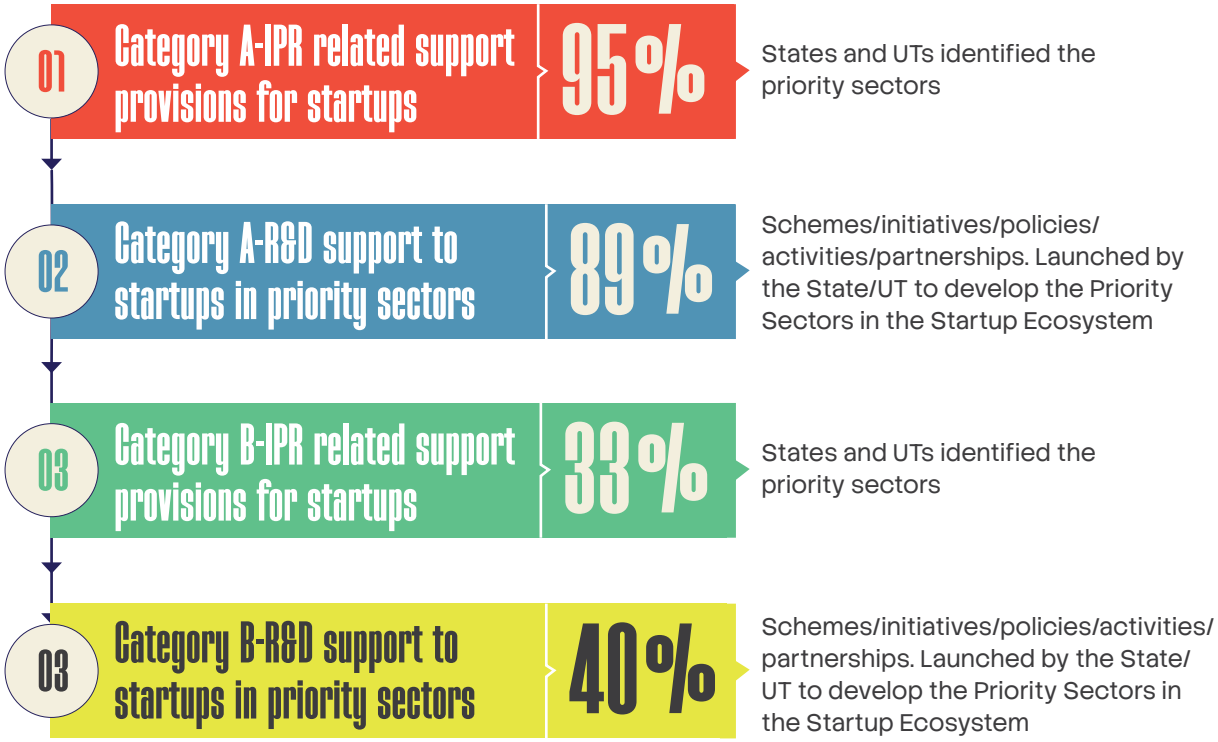


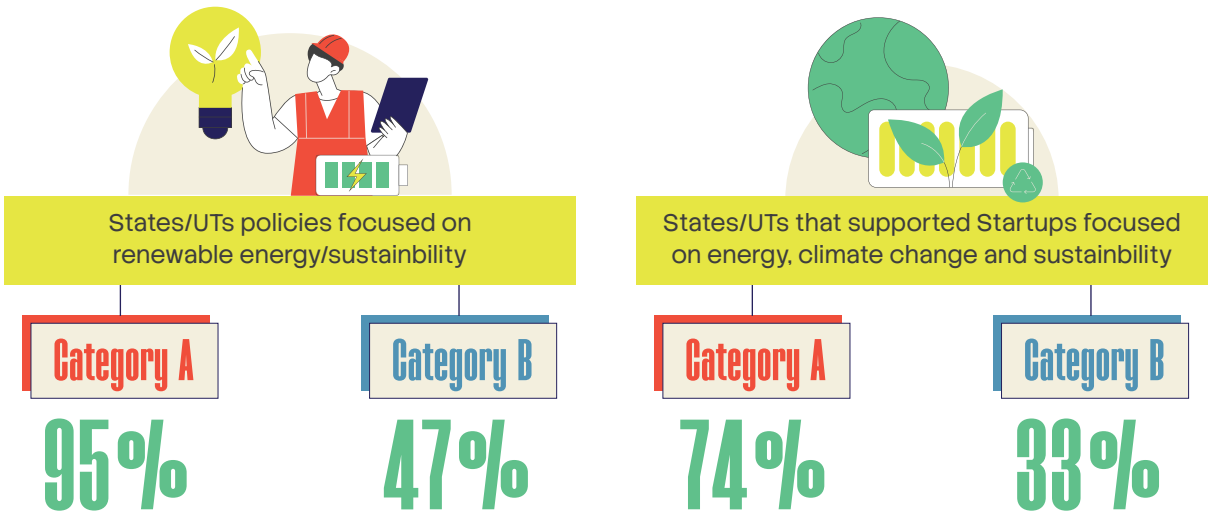
Figure 69: Key Insights from Action Point 18



Action Point 19 assesses the State/UT's support for sustainable and green innovation. It reviews the number of active policies supporting startups in the Circular Economy domain and the number of startups focused on renewable energy, climate change, and sustainability that have received support from the State government. The objective is to evaluate how the State/UT is promoting environmentally sustainable entrepreneurship and enabling startups to contribute to a green and circular economy.

Across all States/UTs, **50+ policies & schemes are active covering incentives** for focused on renewable energy and climate change and sustainability. In addition, these policies **supported 1320+ startups** focused on renewable energy, climate change and sustainability during the period of consideration. Based on the submissions made by participating States & UTs, **95% of the Category A States/UTs** have policies focused on renewable energy, sustainability and circular economy wherein Startups are supported whereas **47% of the Category B States & UTs** have such active policies.

Figure 70: Key Insights from Action Point 19



5.4 Feedback Analysis

5.4.1 Overview

Under the 5th edition of the States' Startup Ecosystem Ranking, the assessment approach went beyond evaluating documentary submissions by States and UTs to also capture the real-world impact of their initiatives on Startups. Through 'Feedback Analysis', the framework sought to understand how effectively State and UT policies, schemes and institutional mechanisms are translating into tangible support for entrepreneurs, providing valuable on-ground insights directly from startups and ensuring that the assessment reflects not just policy intent but also actual outcomes and experiences within each region's startup ecosystem.

The 5th edition constitutes qualitative and quantitative feedback collection:

- Quantitative feedback was used for scoring States and UTs as part of the ranking framework.
- Qualitative feedback, while not scored, provided valuable insights into the strengths, gaps, and on-ground perceptions of each State's startup ecosystem.

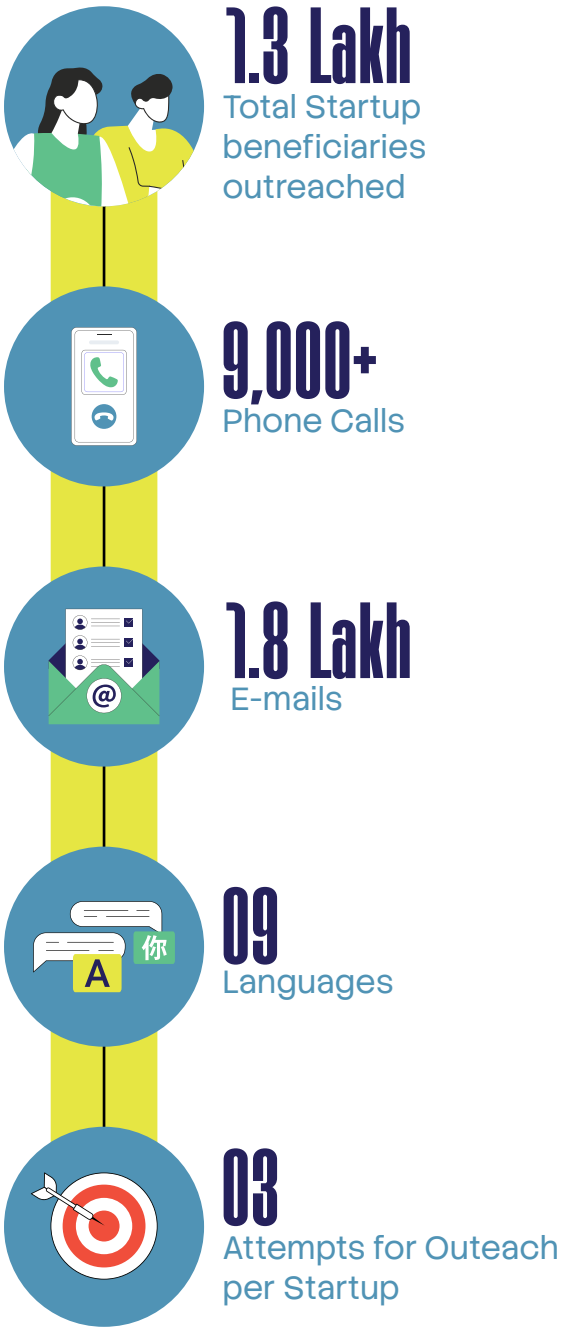
The outreach covered over

1.3 lakh beneficiaries

across 34 States and UTs, involving more than 9,000 phone calls and 1.8 lakh emails.

To ensure inclusivity and better engagement, surveys were conducted in nine languages- English, Hindi, and seven regional languages including Tamil, Telugu, Malayalam, Marathi, Odia and Gujarati. Each respondent was contacted up to three times at different time slots to ensure adequate representation and completeness of responses.

Figure 71: Snapshot of the outreach process



A comprehensive questionnaire has been developed for soliciting response from the states. These comprise of two major categories as elucidated below:

Figure 72: Questionnaire for feedback analysis

Awareness Based Questions

Reform Area 1: Institutional Support
Are you aware of any startup policy or scheme launched by your state government / UT for Start-up support?

Reform Area 2: Infrastructure Support
Do you know if your State/UT provides a grievance redressal mechanism (portal/helpline) for Startups?

Reform Area 3: Funding Opportunities
Are you aware of Seed Funds, Venture Funds, or Fund of Funds or special funding provisions for Startups supported by your State/UT?

Reform Area 4: Market Access & Reach
Do you know if your State/UT or PSUs allow Startups to participate in tenders with relaxations?

Reform Area 5: Ecosystem Capacity Building
Are you aware of incubation support / accelerator / mentorship programs provided to startups in your State/UT?

Reform Area 6: Innovation & Sustainability
Are you aware of R&D support or any special provisions by your State/UT to support and fast-track IPR filings for Startups?

Beneficiary based Questions:

Reform Area 1: Institutional Support

Has your Start-up benefitted from any such policy/ scheme in the last 3 years?

Reform Area 2: Infrastructure Support

Have you ever used this grievance redressal mechanism in the last 3 years? If yes, did you find it effective in resolving your issue(s)?

Reform Area 3: Funding Opportunities

Has your Startup received any funding through these State-supported mechanisms in the last 3 years?

Reform Area 4: Market Access & Reach

Has your Startup ever received a work/purchase order under these relaxations in the last 3 years?

Reform Area 5: Ecosystem Capacity Building

Have you been offered access to state-supported incubators or co-working spaces in the last 3 years?

Reform Area 6: Innovation & Sustainability

Has your Startup benefited from such R&D grants/ subsidies or IPR fast-tracking support?

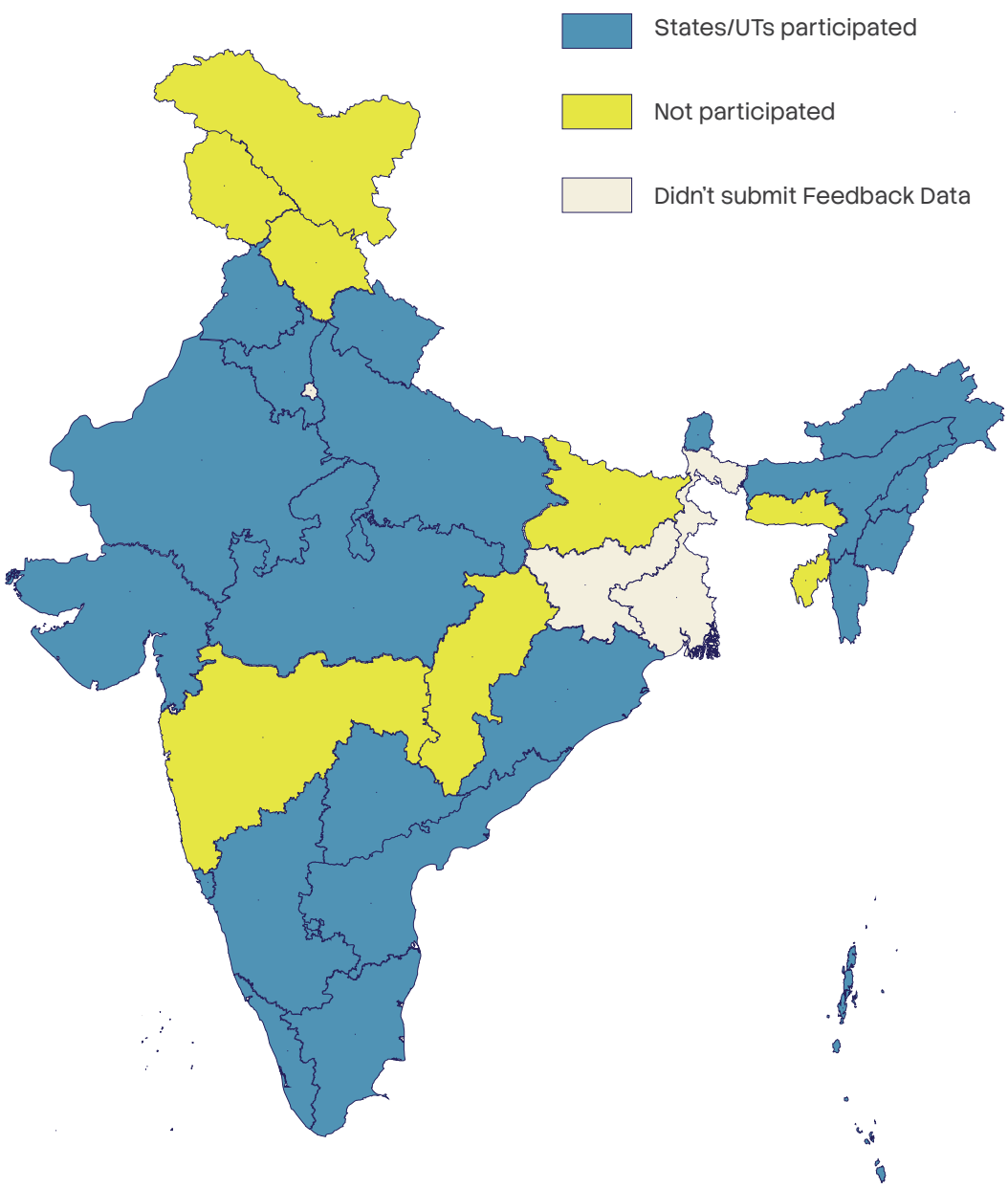
The awareness-based questions were administered to all DPIIT-recognized startups registered within the period of consideration across all 34 States and UTs participating in the States' Startup Ranking exercise, while the beneficiary-related questions were directed to startups from the 21 States and UTs that had submitted beneficiary data as part of the exercise.

The next section elucidates the states which had participated in the feedback analysis.

5.4.2 State and UT level participation

A total of 21 States and UTs provided their respective lists of startups for the feedback exercise. For the remaining 13 States and UTs, startups were identified and reached out to through DPIIT's BHARAT Registry database.

Figure 73: Status of participation of states and UT in "Feedback analysis exercise under 5th edition of States Startup Ecosystem Ranking

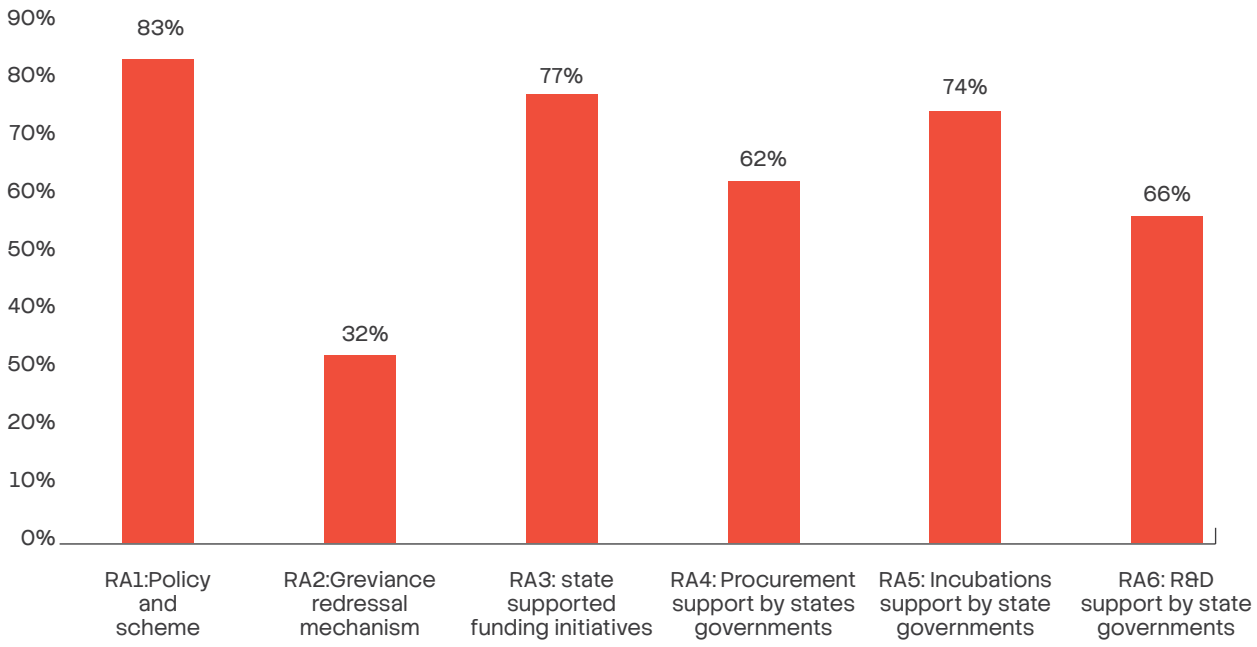


The subsequent section delves into the insights derived from the feedback analysis.

5.4.3 Results and Insights – Quantitative Feedback

The result of the feedback analysis exercise under 5th edition of States Startup Ecosystem Ranking has been summarized below.

Figure 74: Reform area wise response to awareness queries



Below are the key findings from the quantitative feedback assessment across all 34 participating States and UTs, at a startup level as well as a State and UT level.

1. Assessment at Startup level:

a Startup policies / Schemes

Out of the total Startups surveyed across the States/UTs, **83% respondents, showed awareness regarding the startup policy** of their respective states. Out of these, **30% of the respondents** mentioned that they have availed the benefits under startup policies and schemes.

b Grievance redressal mechanism (portal/helpline):

32% of the respondents revealed that they are aware of the grievance redressal mechanism (portal/helpline) in their respective states and UTs. Out of those who are aware of the grievance redressal mechanism, 24% mentioned that they found the grievance redressal portal to be useful.

c Funding schemes / provisions:

Out of the respondents surveyed, **77% of the respondents** mentioned that they were aware **about seed funds,** venture funds, or other special funding provisions. Out of those who are aware of the funding schemes, **19% mentioned** that they have received funding from state funded schemes.

d Public Procurement Process:

Out of the respondents surveyed, **62% of the respondents** mentioned that state Government agencies and PSUs provide relaxation in procurement rules for startups. Out of those who are aware of the relaxation in public procurement, 18% mentioned that they have been awarded Government contracts.

e Incubation / accelerator / mentorship programs

Out of the respondents surveyed, **74% of the respondents** mentioned that they are aware of various state sponsored incubation support, accelerator program, or mentorship program. Out of those who are aware of the state level incubation and mentorship programs, 26% mentioned that they have received incubation or mentorship support.

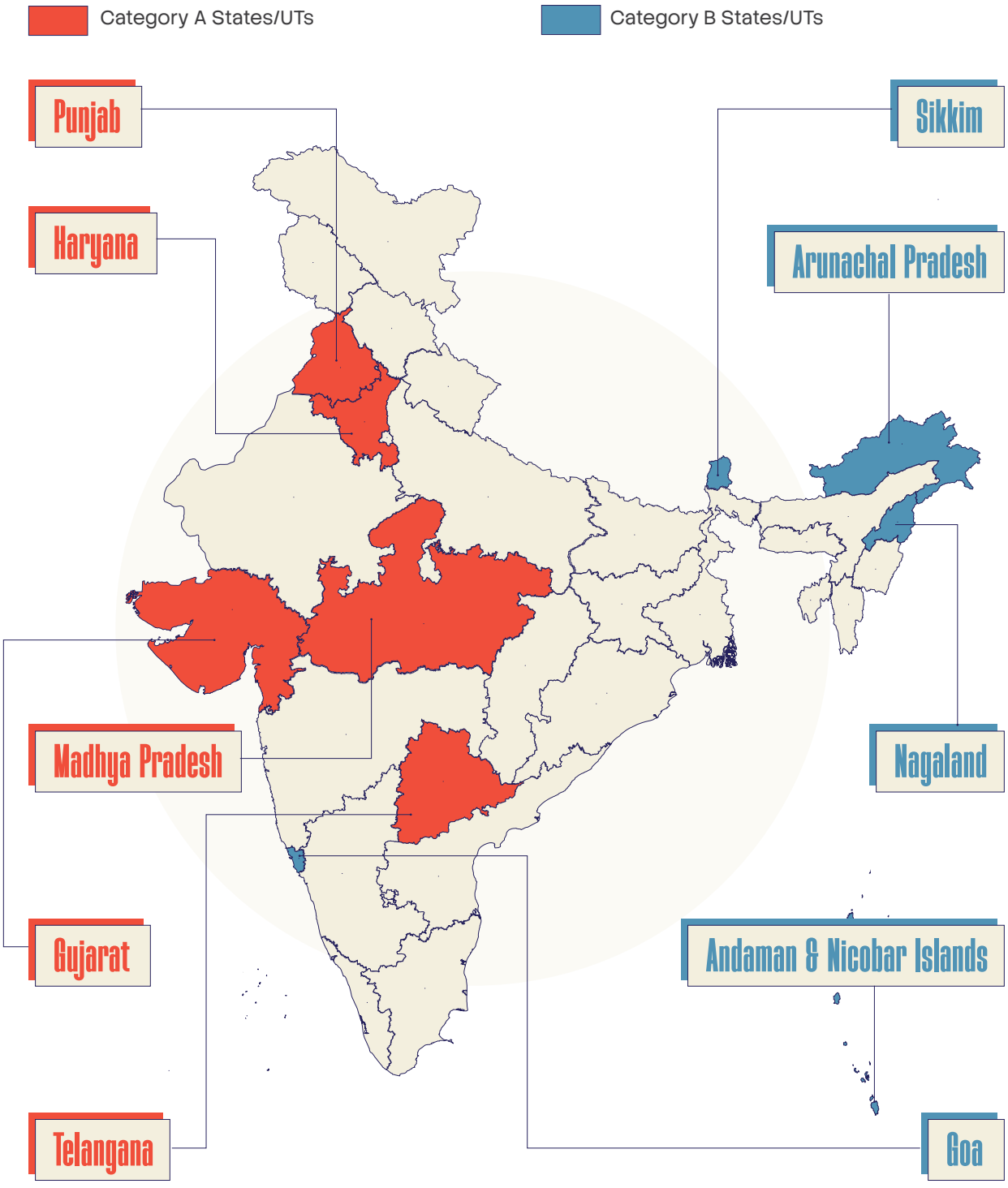
e R&D IPR support:

Out of the respondents surveyed, **56% mentioned** that they are aware of R&D support or any special provisions by State/UT to support and fast-track IPR filings for Startups. The following graph provides a visual representation of the responses received to the awareness and beneficiary-based questions. Out of those who are aware of support in R&D and IPR, 19% mentioned that they have benefited from such R&D grants/subsidies or IPR fast-tracking support.

2. Assessment at State & UT level

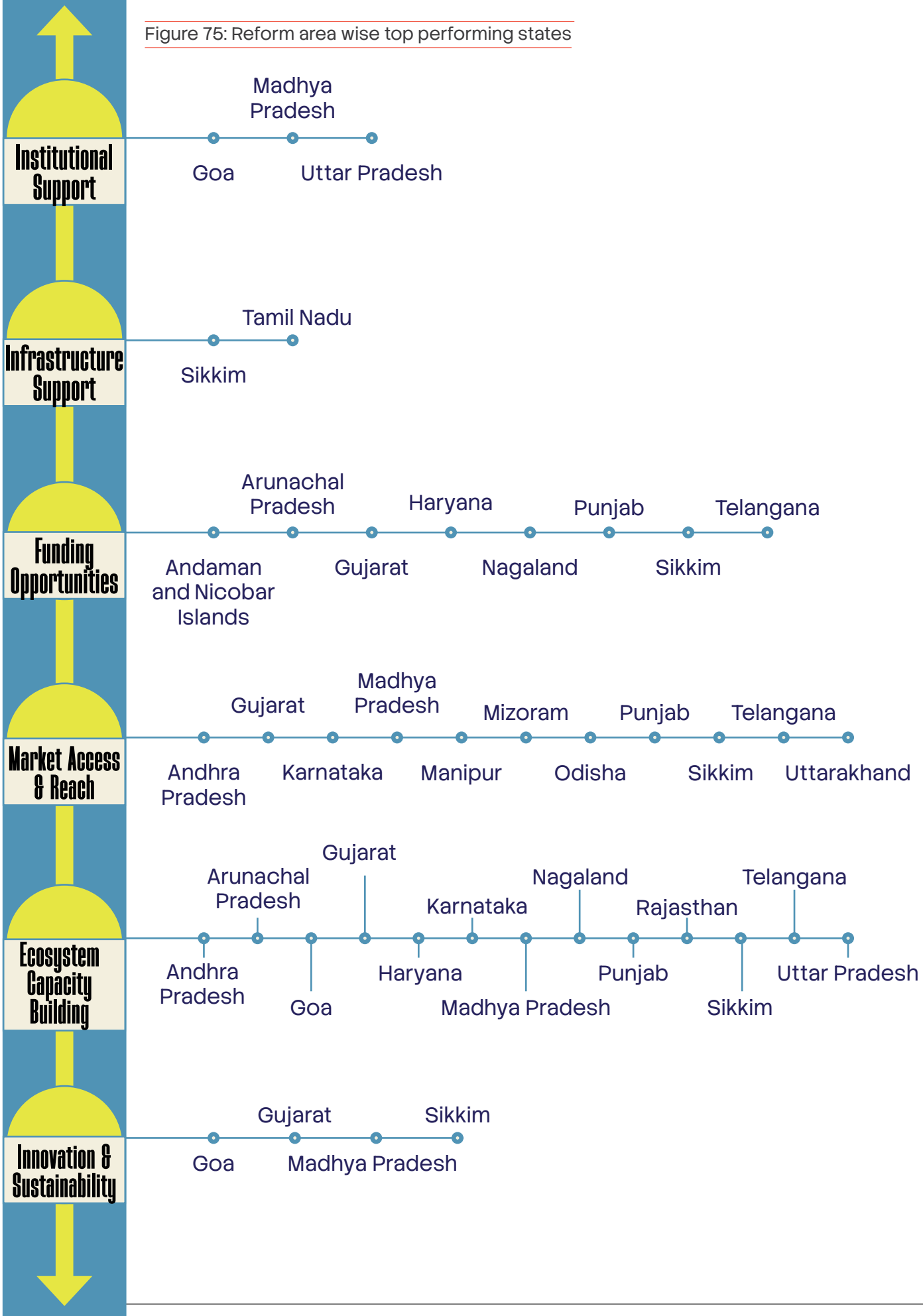
The top performing states at a gross score level across categories have been illustrated below.

Figure 75: Leading States/UTs based on Feedback Scores under Category A and B – Feedback Analysis



The following sections provide an understanding of the performance of states across reform areas.

Figure 75: Reform area wise top performing states



5.4.4 Results and Insights– Qualitative Feedback

Below are the key findings from the qualitative feedback assessment across all 34 participating States and UTs:

Table 2: Summary of qualitative feedback– Feedback Analysis

Theme	Key Insights
Policy Implementation and Delivery	• Many States/UTs are in early stages of operationalizing their startup policies. Strengthening last-mile implementation can further enhance impact. • Streamlining approval and disbursal timelines for benefits such as sustenance allowance, seed funding, and reimbursements can improve startup confidence.
Access to Funding and Financial Support	• Startups highlighted the need for wider access to early-stage funding, including seed grants, working capital, and venture support. States could consider setting up dedicated seed funds or guarantee schemes with clearly defined release timelines linked to performance milestones. • Inclusion of service-based startups in incentive frameworks can further diversify supported sectors. • Expanding support for IP protection, patent filing, and R&D assistance can encourage innovation.
Mentorship, Networking, and Market Linkages	• Strengthening mentorship programs, accelerator linkages, and investor connects can address startups' non-financial support needs.
Awareness and Communication	• Many startups expressed interest in improved communication on existing schemes and eligibility processes. • Dedicated State-level startup helpdesks, regular newsletters, and proactive outreach can increase awareness and engagement.
Infrastructure and Incubation Support	• Startups emphasized the importance of district-level incubators, shared workspaces, and testing facilities to strengthen local ecosystems. • Affordable working spaces in industrial areas and enhanced digital and logistics infrastructure can improve operational efficiency. • Encouraging sector-specific incubators and mentorship in niche areas can unlock localized innovation potential.
Institutional Efficiency and Accountability	• Introducing standard response timelines and digital grievance redressal mechanisms can improve transparency and efficiency. • Periodic third-party reviews or audits of scheme implementation can ensure continuous improvement and stakeholder confidence.

The feedback analysis in the 5th edition of States Startup Ecosystem Ranking provides ground-level perspective on the functioning of India's startup ecosystem. By directly engaging with entrepreneurs across States and UTs, the exercise captured both the effectiveness and the reach of policy measures, as well as areas where further strengthening is possible.

The insights reaffirm that while significant progress has been made in creating an enabling policy environment, continued efforts to enhance awareness, implementation efficiency, funding access, mentorship, and regional relevance will be key to deepening impact. The feedback thus serves not only as a metric for assessment but also as a strategic input to guide future policy refinements, ensuring that India's startup ecosystem remains inclusive, responsive, and globally competitive.

5.5 Private Ecosystem Mapping

5.5.2 Overview

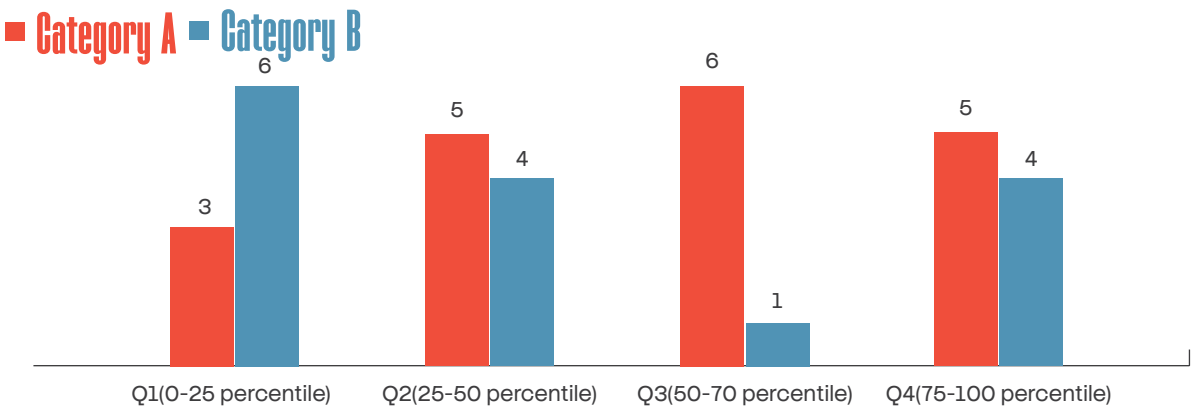
A strong private ecosystem, comprising investors, incubators, accelerators, industry bodies, and large enterprises is vital for startup growth, providing risk capital, mentorship, market access, and technical expertise that complement government support.

It closes key gaps in funding and guidance, accelerates innovation, and strengthens India's overall entrepreneurial competitiveness. Accordingly, this year's framework includes an assessment of private ecosystem availability across states. The following section provides the results and insights derived from the private ecosystem mapping.

5.5.3 Results

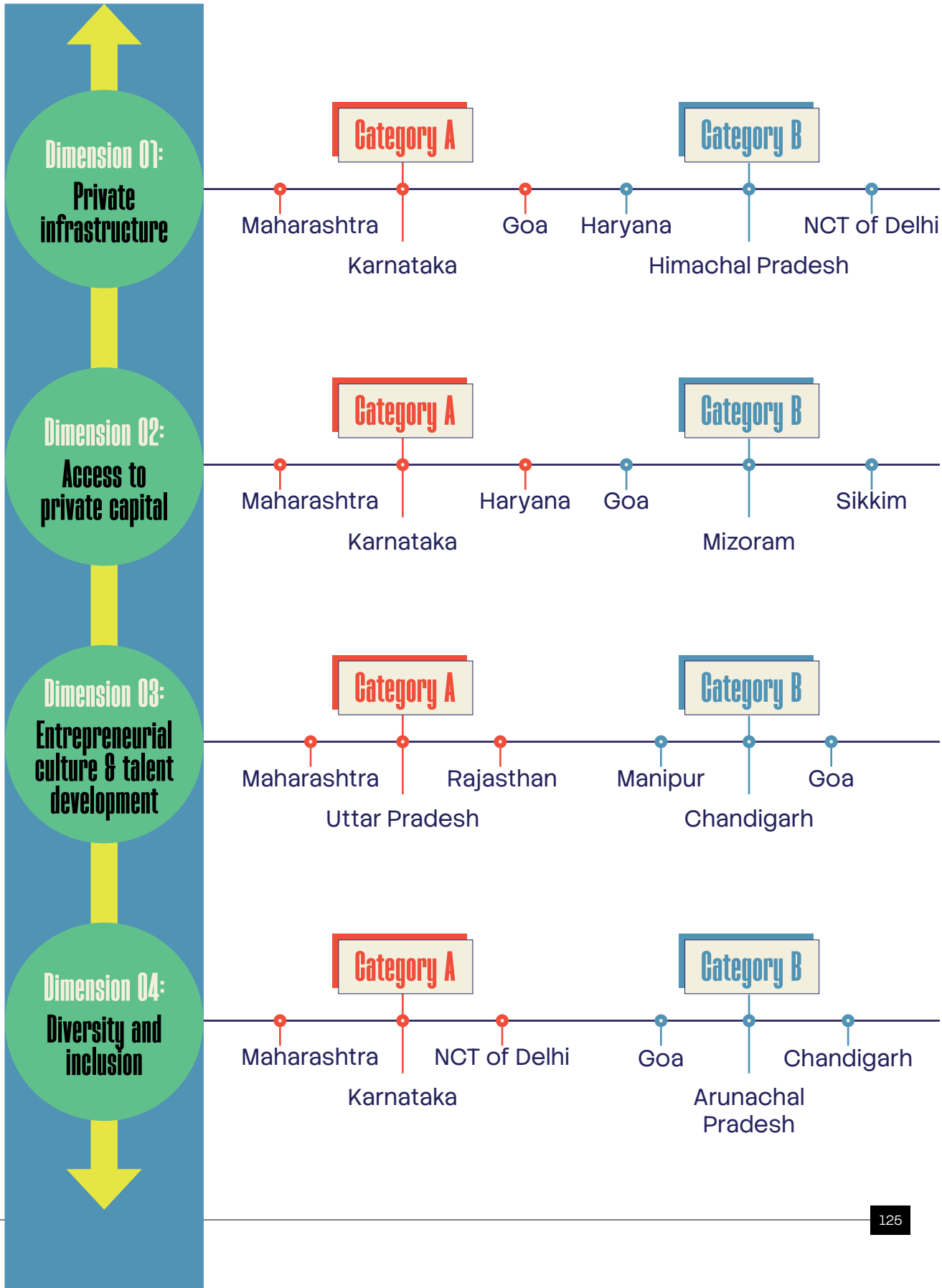
The overall scoring was carried out of 10 marks, based on which states and UTs have been scored. The top performing states and their quartiles have been depicted in the graph below.

Figure 76: Quartile wise distribution of states across categories



The dimension wise top performers across different categories of States / Uts have been provided below.

Figure 77: Dimension wise top performers



Insights derived from Private Ecosystem Mapping

1. States such as **Maharashtra** have 176[81] private incubators which were active during the consideration period, and 445[82] Department of Scientific and Industrial Research (DSIR) recognized in-house R&D centres. Similarly, **Gujarat** has 43 Bureau of Indian Standards (BIS) recognized private laboratories. These two states have demonstrated private infrastructure for encouraging startups, making them leaders under the Dimension 1 – Private Infrastructure.

2. **Karnataka, Maharashtra and Haryana** led in terms of number of PE/VC deals as well as value of VC deals, making them leaders in the segment of access to private capital, under Dimension 2 – Access to private capital.

3. **Maharashtra** has 17[83] Regional Mentors of Change (RMoC), while **Karnataka** and **Delhi** have 10[84] and 11[85] RMoC respectively. **Maharashtra** has 39 private universities in the state, while **Madhya Pradesh** and **Rajasthan** have 54 and 53 respectively. These states have emerged as leaders under Dimension 3 – Entrepreneurial Culture and Talent Development

4. **Maharashtra** has 5,415[86] number of women founded startups, followed by **Karnataka** and **Delhi** with 3,993[87] and 2,882[88] startups respectively, and therefore have emerged as leaders under Dimension 4 – Diversity and Inclusion.

[81] Tracxn database as on June 2025
[82] Tracxn database as on June 2025
[83] Atal Innovation Mission (AIM) for the period 2024-25
[84] Atal Innovation Mission (AIM) for the period 2024-25
[85] Atal Innovation Mission (AIM) for the period 2024-25
[86] Tracxn database as on June 2025
[87] Tracxn database as on June 2025
[88] Tracxn database as on June 2025

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6 Impact Assessment of States' Startup Ranking Exercise

The States Startup Ranking framework has continued to evolve in line with the changing needs of India's entrepreneurial landscape. With each edition, the assessment has broadened its lens to capture the depth and quality of support offered by States and UTs. The 5th edition builds on this trajectory and places greater emphasis on digital readiness, outcome orientation, and ecosystem participation.

6.1 Key Impact Highlights

Based on submissions received for the 5th edition, there is clear evidence of increased activity across multiple components of the Startup ecosystem during the period of consideration[89]. Higher participation by ecosystem enablers, a rise in support interventions, and expanded startup support collectively indicate maturing capacities at the State and UT levels. The achievement of the Startup ecosystem has been showcased by the impact figures below:

[89] 1st Jan 2023-30th Nov 2024; Based on qualified numbers under documentary evaluation exercise of 5th edition

Figure 79: Key Impact highlights

23+ Incentives digitally delivered to Startups

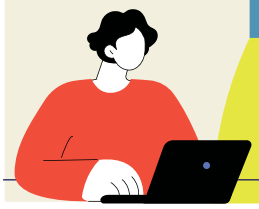
25+ Online Grievance redressal mechanism for Startups

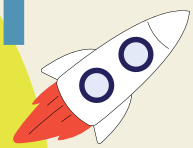
25+ Startup website accessible to PwD

26+ have a startup portal

25+ Startup website accessible in local/ official language

DIGITAL STARTUP ECOSYSTEM





5600+ Women-led Startups

4780+ Startups supported in priority sectors

87K+ Registered on State Startup Portal

870+ Public Welfare Startups

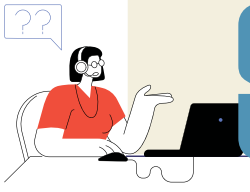
210+ Startups connected with Investors

4300+ Startups provided with incubation support

730+ Startups awarded Government purchase orders

1320+ Startups supported in renewable energy, climate change and sustainability

STARTUPS SUPPORTED



75+ Sensitization Workshops

320+ State Departments in Sensitization workshops

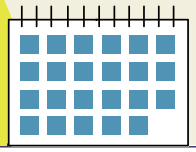
7140+ Capacity development workshops for incubators

285+ Sensitization workshops for ecosystem enablers

930+ For student entrepreneurs with educational institutions

530+ Market Access opportunities

EVENT & PROGRAMS



22+ States/UTs with special support to Women-led startups

20+ States/UTs with funding collaboration with Banks for Startups

22+ States/UTs floating tenders with Startup relaxations

22+ States/UTs with special provision in IPR, Patent, etc.

23+ States/UTs with R&D support schemes

29+ States/UTs identified & Published Priority sectors

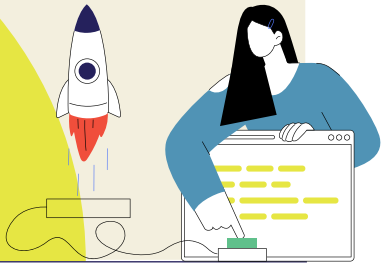
POLICIES & SCHEMES

1470+ Mentors providing mentorship support

136+ New Manufacturing Incubators established

87+ Ugradation of existing incubators

MENTORS & INCUBATORS



2030+ Startups received State-supported funding

38+ Special collaborations with Banks for Startup funding

₹ 1870+ Cr Funds disbursed to Startups by States/UTs

1360+ Work Orders awarded to Startups by States/UTs

FUNDING & PROCUREMENT

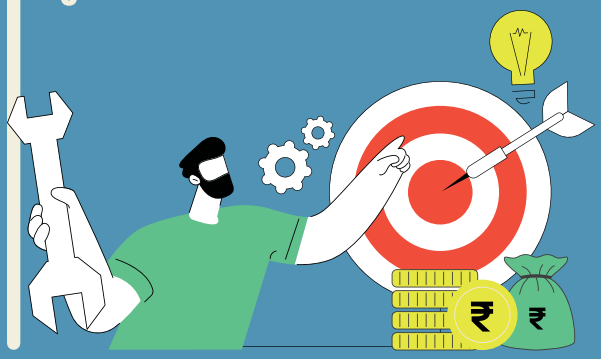
7 The Road Ahead: Shaping the Next Decade of India's Startup Revolution

As India's startup ecosystem stands at an inflection point, having evolved into the world's 3rd largest with over 2 Lakhs recognized startups, the pathway for the next decade demands a fundamental shift from growth-at-all-costs to sustainable, purpose-driven innovation. Insights from the 5th edition of the States' Startup Ecosystem Ranking point to significant progress alongside persistent regional asymmetries. While states such as Gujarat, Karnataka, Kerala, and Tamil Nadu have demonstrated strong ecosystem maturity, uneven capacity across regions underscores the need for more balanced and place-based growth strategies. Achieving global scale will require coordinated action by entrepreneurs, policymakers, investors, and ecosystem enablers, with a sharper focus on viable business models, deep-tech and knowledge-intensive innovation, and growth that extends beyond a few metropolitan hubs.

Startups are increasingly spreading across India, and this is essential for inclusive and balanced economic growth. The fact that more than 51% of recognized startups now come from Tier II and Tier III cities highlights the strong potential beyond major metropolitan areas. The Government is focused on strengthening startup ecosystems at the state and district levels through targeted measures. These include setting up incubation centres, simplifying regulations, improving digital and physical infrastructure, and easing access to finance through dedicated funds and credit guarantee schemes. States and UTs are encouraged to build on their local strengths in sectors such as agriculture, manufacturing, services, and traditional industries to develop focused startup clusters that support local growth and national priorities. Special attention is being given to promoting entrepreneurship among women, and in aspirational districts, to ensure broad-based participation in the startup ecosystem.

Startups are expected to embed responsible innovation practices by integrating environmental, social, and governance considerations, strengthening intellectual property creation and protection, and aligning with national missions in priority sectors. On the policy front, continued emphasis will be placed on reducing compliance burdens through digital platforms, expanding single-window systems, and maintaining a predictable and supportive regulatory environment. Enhanced international cooperation, stronger linkages with global innovation networks and improved access to overseas markets will remain key to expanding the global footprint of Indian startups. Through sustained collaboration between the Centre, states, and ecosystem stakeholders, Startup India is positioned to anchor an ecosystem that is resilient, inclusive, innovation-driven and globally competitive over the next decade.

Looking ahead, the Government's vision is for startups to play a deeper role in advancing national development objectives and contributing to the long-term goal of Viksit Bharat@2047.



7.1 Role of States & UTs in propelling Startups under Viksit Bharat@2047

'Viksit Bharat', meaning Developed India, is Hon'ble Prime Minister Narendra Modi's vision to transform India into a fully developed nation by 2047, marking 100 years of independence. Startups and Innovation are amongst the core components to realize the vision of India's Viksit Bharat@2047, driving economic growth, job creation, technological advancement, and global competitiveness. States/UTs are emerging as innovation powerhouses, leveraging policy frameworks, funding mechanisms, and global partnerships to create a resilient, inclusive, and technology-driven economy.

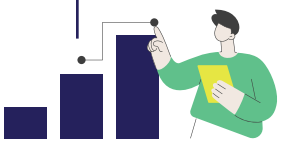
Aligned with Viksit Bharat @2047, States/ UTs play an important role in strengthening India's startup ecosystem and translating innovation into economic outcomes. As ecosystems mature, there is a need to move beyond implementation of initiatives toward measurable contributions to growth, employment, exports, innovation, and public service delivery.

Over the next decade, States/ UTs should have a clear mission in aligning startup efforts with long-term development priorities and positioning startups as a key driver of economic growth by 2047.

Figure 80: Role of States/UTs for Viksit Bharat

1 Expand and balance startup growth across the region

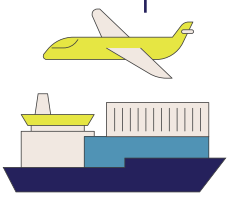
Increased participation beyond Tier-I cities and ensuring functional and sustainable startup ecosystems with participation from non-metro regions.



2 Enhance startup contribution in GDP & Employment

Increase the contribution of startups to State/UT GSDP through better survival, scale-up, and formalisation.

3 Strengthen startups presence in exports and GVCs



Support startups in accessing domestic and international markets and participation in international events to increase their share in State/UT exports.

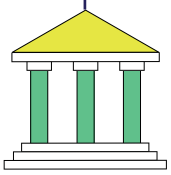
6 Promote Imclusive and Diverse Entrepreneurship

Increase participation of women, rural, and first-generation entrepreneurs through targeted support and access to finance and mentoring.

4 Promote innovation and IPR commercialisation

States/UTs should strengthen IP facilitation and industry collaboration to improve quality and market use of innovations.

5 Institutionalize Government procurement from Startups



Integrate startup procurement into regular State/UT procurement systems with clear targets and timely payments.

7.2 Policy Pathways for the Future

India's next phase of startup growth hinges on adaptive, forward-looking policies that prioritize deep-tech innovation, Ease of Doing Business, and equitable access to capital. Expanding funding through co-investment models and credit guarantees, coupled with streamlined regulatory frameworks, will create a fertile environment for entrepreneurship. The role of State/UT governments will be pivotal in transforming the startup landscape of India in the next decade, by emphasizing on Beyond Tier-I cities and sector-specific incentives, among others.

Based on the performance of States/UTs in the 5th edition of States' Startup Ecosystem Ranking, it is observed that States/UTs have taken several important steps to strengthen the startup ecosystem across the country. Many States/UTs have put in place policies, institutions, and support mechanisms that have contributed to the growth of startups and entrepreneurial activity. At the same time, the assessment also indicates that further efforts are required to deepen impact, improve outcomes, and address regional and sectoral gaps. To realise India's vision of becoming the Startup Capital of the world under Viksit Bharat @2047, the next phase will need focused and sustained action.

1 Shift from Initiative-led to Outcome-led startup policy

States/UTs should move beyond counting schemes, incubators, and events toward tracking outcomes such as startup survival, revenue growth, employment generation, follow-on funding, and procurement value. Existing initiatives should be periodically reviewed and rationalized to reduce overlap, with underperforming programs redesigned or merged rather than expanded. This approach will improve fiscal efficiency and ecosystem credibility.

2 Deepen early-stage and follow-on funding pathways

While most States/UTs already offer seed funding, gaps persist at the pre-seed and post-seed stages. States/UTs should recalibrate funding programs to ensure continuity from ideation to early scale, using co-investment models with angel networks, venture funds, and SIDBI-linked platforms. Priority should be given to patient capital instruments, revenue-linked grants, and sector-specific funds aligned with State/UT strengths.

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3 Strengthen district-level startup enablement

Building on existing district innovation hubs and incubators, States/UTs should standardize minimum service offerings such as mentoring, legal support, and market access assistance at the district level. Digital delivery of these services can ensure scale, while physical infrastructure can be focused on high-potential districts. This will help translate State/UT-level policy intent into grassroots entrepreneurial activity.

4 Institutionalize Government procurement from startups

Several States/UTs have piloted startup procurement initiatives, but these need systematization. States/UTs should embed startup procurement targets within departmental budgets, standardize tender relaxations, and track procurement outcomes through transparent dashboards. Emphasis should be placed on repeat orders and timely payments, ensuring procurement serves as a sustainable market access channel.

5 Build sector-focused startup clusters

Rather than expanding across multiple sectors, States/UTs should deepen existing focus areas by developing integrated clusters that combine startups, anchor firms, research institutions, and skilling programs. Sector strategies should be periodically updated based on market signals and technology trends, allowing States/UTs to remain adaptive while building long-term comparative advantage.

6 Upgrade incubators from infrastructure Providers to Scale-Up Enablers

Many incubators across States/UTs are operational, but performance varies significantly. States/UTs should introduce differentiated expectations based on incubator maturity, with advanced incubators focusing on scale-ups, investor readiness, and global market access. Performance-linked support tied to startup outcomes will strengthen accountability and effectiveness.

7 Strengthen University-driven entrepreneurship and research commercialisation

Many incubators across States/UTs are operational, but performance varies significantly. States/UTs should introduce differentiated expectations based on incubator maturity, with advanced incubators focusing on scale-ups, investor readiness, and global market access. Performance-linked support tied to startup outcomes will strengthen accountability and effectiveness.

8 Build a skilled and inclusive entrepreneurial talent pipeline

States/UTs should integrate entrepreneurship education and innovation exposure into existing school and higher-education frameworks, allowing flexibility for regional adaptation. Inclusion-focused programs for women, rural, and first-generation entrepreneurs should be scaled through blended models combining digital learning, mentorship, and local networks. Participation and outcome metrics should guide program refinement.

9 Enable global readiness and export orientation

While global engagement is largely driven at the national level, States/UTs can support startups by focusing on export preparedness, regulatory awareness including understanding of Technical Barriers to Trade, Sanitary and Phytosanitary measures, International Standards and Quality Control Orders, and sector-specific international demand mapping. More mature State/UT ecosystems can pilot soft-landing partnerships and international incubation tie-ups, while others can focus on strengthening domestic and regional market access.

10 Simplify and digitize startup-facing Government interfaces

Most States/UTs have portals and startup policies, but fragmentation remains. States/UTs should progressively integrate registration, incentives, reporting, and grievance redressal into unified digital systems. Clear timelines, simplified documentation, and transparent communication will reduce compliance burden and improve founder confidence.

11 Strengthen public-private partnerships for ecosystem delivery

States/UTs should systematically map private-sector enablers such as accelerators, angel networks, venture funds, industry bodies, and academic institutions. Structured collaboration frameworks can reduce fiscal pressure while improving program quality. Partnerships should focus on mentoring, market access, and technology commercialization rather than standalone events.

12 Promote deep-tech and sustainability-led innovation

States/UTs with stronger research and industrial bases should prioritize deep-tech domains such as AI, advanced manufacturing, biotechnology, and climate solutions. Other States/UTs can focus on application-driven innovation and technology adoption. Aligning startup priorities with sustainability and ESG objectives will strengthen long-term relevance under Viksit Bharat @2047.

13 Improve data quality, reporting, and transparency

Reliable data is essential for effective ecosystem governance. States/UTs should standardize reporting formats across departments and ecosystem partners, minimize manual data collection, and introduce incentives for timely and accurate submission. Improved data quality will support evidence-based policymaking and ecosystem benchmarking.

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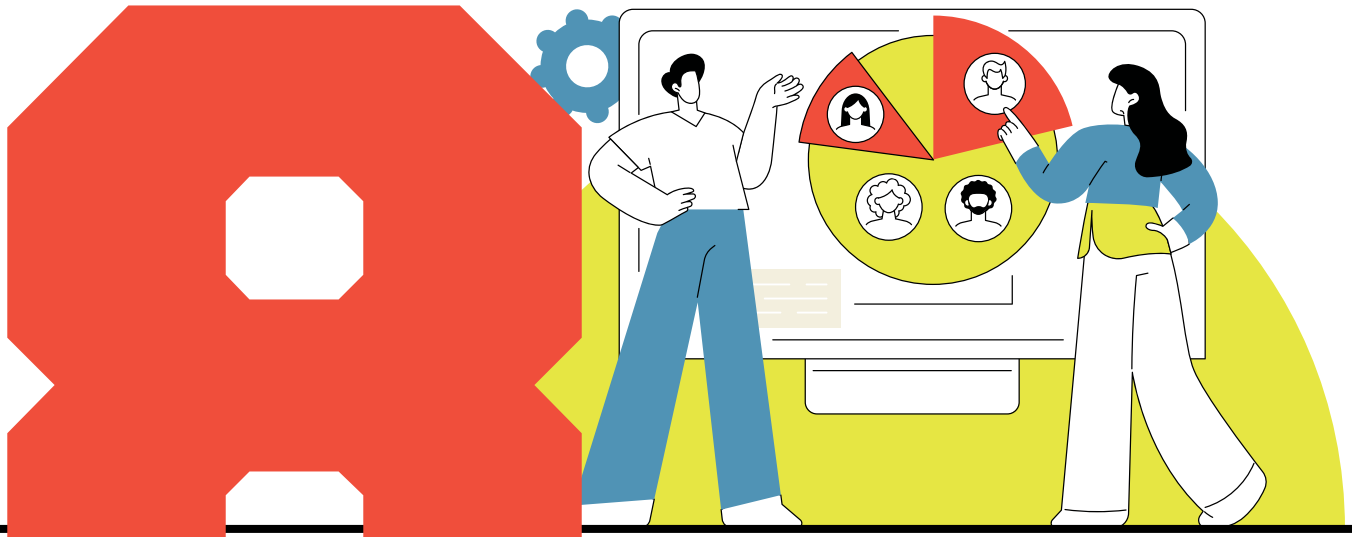
14 Build institutional capacity within State/UT departments

Dedicated startup cells within States/UTs should be strengthened with domain expertise, continuity of staffing, and exposure to best practices. Regular training, peer learning across States/UTs, and knowledge-sharing platforms will improve policy execution and reduce implementation gaps.

15 Adopt adaptive policy frameworks linked to ecosystem maturity

States/UTs should recognize varying levels of ecosystem maturity and embed flexibility into startup policies. Built-in review cycles, sunset clauses, and performance-based recalibration will allow States/UTs to respond to market dynamics while maintaining long-term alignment with the Viksit Bharat@2047 vision.



8 Acknowledgements

This report is an initiative of **Startup India, Department for Promotion of Industry and Internal Trade (DPIIT)**, Government of India

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Director, DPIIT

Shri Md. Alam Ansari
Deputy Director, DPIIT

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Sneakpeek into State Nodal Departments

Figure 81: State Nodal Department

Nagaland

Tamil Nadu

Telangana

Gujarat

Karnataka

J&K

Mizoram

Meghalaya

Arunachal Pradesh

Haryana

Kochi, Kerala

Uttarakhand

Tripura

9 Annexures

9.1 Key Regulatory Reforms

63 key regulatory reforms undertaken for startup ecosystem are as under:

A Reserve Bank of India

1. Startup enterprises permitted to access loans under External Commercial Borrowing Framework up to USD 3 million. (October 2016)

2. A Securities and Exchange Board of India (SEBI) registered Foreign Venture Capital Investor (FVCI) may contribute up to 100% of the capital of an Indian company engaged in any activity mentioned in Schedule 6 of Notification No. FEMA 20/2000, including startups irrespective of the sector in which it is engaged, under the automatic route. (August 2017)

3. An Indian startup having an overseas subsidiary, may open a foreign currency account with a bank outside India for the purpose of crediting to it foreign exchange earnings out of exports/ sales made by

the said entity and/ or the receivables, arising out of exports/ sales, of its overseas subsidiary. (June 2016)

4. SOFTEX form filed by software exporters moved online. (February 2019)

5. Under FDI Policy, tenure of Startup has been aligned with DPIIT Notification dated 19th February,2019 for the purpose of definition of convertible notes. (March 2022)

6. RBI has rationalized the reporting process in Single Master Form (SMF) on FIRMS Portal for Foreign Investment in India. (January 2023)

B Securities and Exchange Board of India (SEBI)

7. Lock in period for investments made by an Angel Fund reduced to 1 year from 3 years as amended by the SEBI (Alternative Investment Funds) (Amendment) Regulations,2016. (January 2017)

8. Angel Funds are allowed to invest in overseas venture capital undertakings upto 25% of their investible corpus in line with other AIFs as provided by the SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)

9. The upper limit for number of angel investors in a scheme is increased from forty-nine to two hundred as amended by SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)

10. The requirements of minimum investment amount by an Angel Fund in any venture capital undertaking is reduced from fifty lakhs to twenty-five lakhs as amended by SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)

11. "Operating Guidelines for Alternative Investment Funds in International Financial Services Centres" issued by SEBI. (November 2018)

12. Under AIF Regulations, definition of Startup has been aligned with DPIIT Notification dated 19th February 2019 for the purpose of investment by Angel Funds in Startups. (May 2021)

13. The SEBI (Alternative Investment Fund) (Second Amendment) Regulations 2021 remove the list of restricted activities or sectors from the definition of Venture Capital Undertaking i.e. Category 1 AIFs can now invest in NBFCs. (May 2021)

C Ministry of Corporate Affairs

14. The financial statement, with respect to private company (if such private company is a Startup) may not include the cash flow statement. (June 2017)

15. A private company, which is considered a Startup is allowed to accept deposits from members without any restriction on the amount. (September 2017)

16. Startup defined for the purpose of Companies Act, 2013: As per the definition, a Startup company means a private company incorporated under the Companies Act, 2013 and recognized as a "Startup" in accordance with the notification issued by the Department for Promotion of Industry and Internal Trade. (June 2017)

17. Exemption from procedural compliance (e.g., such as issue of an offer circular or creation of a deposit repayment reserve) for raising deposits from shareholders. (June 2017)

18. In relation to a private company (if such private company is a startup), the annual return shall be signed by the Company Secretary, or where there is no Company Secretary, by the Director of the company. (June 2017)

19. A private company (if such private company is a startup) is required to conduct at least one meeting of the Board of Directors in each half of a calendar year and the gap between the two meetings is not less than ninety days. (June 2017)

20. Name Reservation for Company incorporation: Rule 8, Companies (Incorporation) Rules, 2014 substituted with Companies (Incorporation) 5th Amendment Rules, 2019, which provides for new regulations on resemblance with an existing company name, new categories of undesirable names of a company and list of words which can be used only after obtaining approval. (May 2019)

21. Amendment in Companies (Share Capital and Debentures) Rules, 2014: The Ministry of Corporate Affairs issued a notification on 16th August, 2019 increasing the period in which ESOPs could be granted to promoters and directors (holding more than 10% equity) of Startups, from 5 years to 10 years from the date of incorporation and thereby aligned the provisions of the Companies (Share Capital and Debentures) Rules with the provisions referred to in the DPIIT notification dated 19th Feb 2019.

    The notification also enhanced the limit on shares with Differential Voting Rights in the Company from 26% of the total post-issue paid up equity capital of the Company to 74% of the total voting power. Further, the condition for the company to have a consistent track record of distributable profits for the last three years for issue of DVR shares has been removed. (August 2019)

22. Corporate Social Responsibility Funds: In reference to section 135 of the Companies Act 2013, Schedule VII has been amended to include Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs). (October 2019)

23. As part of Government of India's Ease of Doing Business (EODB) initiatives, the Ministry of Corporate Affairs has launched a new integrated Web Form christened 'SPICe+' replacing the existing SPICe form. SPICe+ would offer 10 services by 3 Central Govt Ministries & Departments (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance) and One State Government (Maharashtra), thereby saving as many procedures, time and cost for Starting a Business in India and would be applicable for all new company incorporations w.e.f. 23rd February 2020. SPICe+ has two parts: Part A-for Name reservation for new companies and Part B offering a bouquet of services viz. (i) Incorporation (ii) DIN

allotment (iii) Mandatory issue of PAN (iv) Mandatory issue of TAN (v) Mandatory issue of EPFO registration (vi) Mandatory issue of ESIC registration (vii) Mandatory issue of Profession Tax registration(Maharashtra) (viii) Mandatory Opening of Bank Account for the Company and (ix) Allotment of GSTIN (if so applied for). (February 2020)

24. Amendment in Companies (Share Capital and Debentures) Rules, 2014: The Ministry of Corporate Affairs issued a notification on 05th June, 2020 increasing the period in which Sweat Equity shares, from 5 years to 10 years from the date of incorporation and thereby aligned the provisions of the Companies (Share Capital and Debentures) Rules with the provisions referred to in the DPIIT notification dated 19th Feb, 2019. (June 2020)

25. Amendment in Companies (Acceptance of Deposits) Rules, 2014: The Ministry of Corporate Affairs issued a notification on 07th September 2020 increasing the period of issuance of convertible note, from 5 years to 10 years from the date of issue and thereby aligned the provisions of the Companies (Acceptance of Deposits) Rules, 2014 with the provisions referred to in the DPIIT notification dated 19th Feb, 2019. (September 2020)

26. Amendment in Companies (Acceptance of Deposits) Rules, 2014: The Ministry of Corporate Affairs issued a notification on 07th September 2020 whereby the maximum limit in respect of deposits to be accepted from members by a private company shall not apply to a Startup company for 10 years from the date of its incorporation, instead of 5 years. (September 2020)

27. Incorporation of One Person Companies (OPCs) by allowing OPCs to grow without any restrictions on paid up capital and turnover, allowing their conversion into any other type of company at any time, reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and also allow Non-Resident Indians (NRIs) to incorporate OPCs in India. (February 2021)

28. Amendment in Insolvency and Bankruptcy Code, 2016: The Ministry of Corporate Affairs issued a notification on 30th August 2022 harmonizing the definition of startup with the DPIIT notification dated 19th February 2019. (August 2022)

29. Amendments were introduced to Companies (Compromises, Arrangements, and Amalgamations) Amendment Rules, 2024 to fast-track the approval process for the merger of a startup incorporated outside India into its wholly owned Indian subsidiary. The foreign holding company and its wholly owned Indian subsidiary will only need to obtain approval from the Reserve Bank of India (RBI) for such mergers or amalgamations, eliminating the need for clearance from the National Company Law Tribunal (NCLT) (September 2024).

D Ministry of Finance

Department of Revenue

30. In the case of a domestic company, where its total turnover or the gross receipt in the previous year does not exceed two hundred and fifty crore rupees, income tax shall be charged at the rate of 25 percent of the total income. (February 2018)

31. Definition of eligible business as stated in Section 80-IAC aligned with Startups definition. (April 2018)

32. Introduction of Section 54EE in the Income Tax Act, 1961: Exemption from tax on long-

term capital gain if such long-term capital gain is invested in a fund notified by Central Government. The maximum amount that can be invested is Rs 50 lakh. (May 2016)

33. Amendment in Section 54GB of Income Tax Act: Exemption from tax on capital gains arising out of sale of residential house or a residential plot of land if the amount of net consideration is invested in prescribed stake of equity shares of eligible Startup for utilizing the same for purchase of specified asset. (February 2016)

34. Minimum Alternate Tax credit allowed to be carried forward up to fifteenth assessment years instead of ten assessment years. (March 2017)

35. Exemption under section 80-IAC of Income Tax Act: Exemption to eligible Startup for any 3 consecutive assessment years out of 7 years (earlier 5 years) beginning from the year in which such eligible Startup is incorporated. (April 2018)

36. Exemption from tax under the provisions of section 56(2)(viib) to Startups for issue of shares above fair market value on the basis of a self-declaration to the Central Board of Direct Taxes. The aggregate amount of paid-up share capital and share premium of the startup after issue or proposed issue should not exceed INR 25 Crore. (February 2019)

37. Taxation of convertible notes: Period for which a bond, debenture, debenture-stock or deposit certificate was held prior to conversion shall be considered for determining the period of holding of such shares or debentures acquired upon conversion. (March 2016)

38. Amendment in Section 54GB of Income Tax Act w.e.f 1st April 2020: (August 2019)

- The condition of minimum holding of 50% of share capital or voting rights in the Startup relaxed to 25%

- Extension of period under which benefit under section 54GB from for sale of residential property can be availed up to 31st March 2021

- Condition restricting transfer of new asset being computer or computer software is to relaxed from 5 years to 3 years w.e.f. 1-4-2020

39. Amendment in Section 79 of Income Tax Act (August 2019): Eligible Startups to carry forward their losses on satisfaction of any one of the two conditions:

- Continuity of 51% shareholding/voting power or

- Continuity of 100% of original shareholders carrying voting power

40. Pass-through of losses allowed to Investment Funds i.e. Category I and II AIF similar to pass-through of income. These amendments will take effect from the 1st April 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years. (August 2019)

41. The investment made by Venture Capital Fund of Category-I AIF in a startup was exempted from the applicability of the provisions of section 56(2)(viib) of the IT Act. This exemption has been extended to all sub-categories of Category-I AIF and Category-II AIF via introduction of "specified funds" in the said section. (August 2019)

42. The Finance Act 2020 provides for amendment in section 80-IAC of the Income-tax Act relating to special provision in respect of specified business. The provisions of section 80-IAC, inter alia,

provide for a deduction of an amount equal to hundred per cent. of the profits and gains derived from an eligible business by an eligible Startup for three consecutive assessment years out of ten years vis-à-vis the earlier norm of seven years at the option of the assessee and the total turnover of its business does not exceed hundred crore rupees in the previous year relevant to the assessment year for which deduction under this section is claimed. This amendment will take effect from 1st April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years. (February 2020).

43. The Finance Act 2020 provides for amendment in section 80-IAC of the Income-tax Act relating to special provision in respect of specified business. The provisions of section 80-IAC, inter alia, provide for a deduction of an amount equal to hundred per cent. of the profits and gains derived from an eligible business by an eligible Startup for three consecutive assessment years out of ten years at the option of the assessee and the total turnover of its business does not exceed hundred crore rupees vis-à-vis the earlier norm of twenty-five crore rupees in the previous year relevant to the assessment year for which deduction under this section is claimed. This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years. (February 2020)

44. The Finance Act 2020 provides for amendment in sections 156, 191 and 192 of the Income Tax Act laying to enable employees receiving specified security or sweat equity share as perquisite under section 17(2)(vi) of an eligible startup referred to in section 80-IAC, to deduct or pay, as the case may be, tax on such income within fourteen days after the expiry of forty-eight months from the end of the relevant assessment year; or from the date of the sale of such specified security or sweat equity share by the assessee; or from the date of the assessee ceasing to be the employee of the person, whichever is earlier, on the basis of rates in force of the financial year in which the said specified security or sweat equity share is allotted or transferred. This amendment will take effect from 1st April 2020. As per the earlier norms, the said perquisite including ESOPs were taxed in the hands of the employee at the time of exercise of the option. (February 2020)

45. The Finance Act 2021 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2021)

46. The Finance Act 2021 provides for extension of claiming Capital gains exemption for investment in startups by one year i.e., till 31 March 2022. (February 2021)

47. The Finance Act 2022 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2022)

48. The Finance Act 2022 capped the surcharge on the long-term capital gain at 15% for unlisted companies from existing 37%. The effective rate of tax has been reduced from 28.5% to 23.9%. (February 2022)

49. The Finance Act 2023 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2023)

50. The Finance Act 2023 enables startups to set off and carry forward losses for a period

of 10 years vis-a-vis 7 years under section 79 of the Income Tax Act 1961. (February 2023)

51. The Finance Act 2023 capped the surcharge on the long-term capital gain at 25% for unlisted companies from existing 37% under the new tax regime. The effective rate of tax has been reduced from 42.74% to 39.0%. (February 2023)

52. Central Board of Direct Taxes via G.S.R. 685(E) dated 25th September 2023 amended Income Tax Rules, 1961 to include five additional valuation mechanisms for investments raised by Non-Resident Investors. The IT Rules are now aligned with "internationally accepted valuation methodologies". (September 2023)

53. The Finance Act 2024 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2024)

54. The Finance Act (No. 2) 2024 removed Section 56 (2) (viib) (angel tax provisions) from the Income Tax Act effective 1st April 2025. This removes the income tax on the issuance of shares above their fair market value, enabling startups to raise equity funding at valuations above their fair market value. (July 2024)

55. The Finance Act (No. 2) 2024 harmonized the income tax rates on the long-term capital gains (LTCG) from investments in listed and unlisted shares. The amendment in Section 112 of the Income Tax Act, lowered the LTCG tax on unlisted company shares from 20% to 12.5%. This is expected to encourage greater investment in startups. (July 2024)

56. The Finance Act 2025 provides for extension of the eligibility period to claim tax holiday for the startups by five additional years i.e. till 1st April 2030. (February 2025)

Department of Economics Affairs

57. The Ministry of Finance now allows non-government provident funds, superannuation, and gratuity funds to invest up to 5 percent of their investible surplus in Category I and II Alternate Investment Funds (AIFs) registered with SEBI. (March 2021)

Insurance Regulatory and Development Authority

58. The Insurance Regulatory and Development Authority of India (IRDAI) has allowed insurance companies to invest in Fund-of-Funds (FoF) that invest within the country subject to certain conditions. (April 2021)

Department of Expenditure

59. Harmonization of Startup Definition under the Manual for Procurement of Consultancy and other Services with the DPIIT notification dated 19th February 2019. (August 2021)

Ministry of Labour and Employment

60. The Ministry of Labour and Employment now allows EPFO to invest up to 5 percent of their investible surplus in Category I and II Alternate Investment Funds (AIFs) registered with SEBI. (April 2021)

Ministry of Electronics and Information Technology

61. Removal of clause from Electronic Development Fund (EDF) operating guidelines stating that if a fund draws from Fund of Funds for Startups, then they cannot draw from EDF and vice versa. (November 2018)

Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade

62. Amendment in the definition of a Startup: An entity shall be considered as a Startup upto a period of ten years from the date of incorporation/ registration and turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees. (February 2019)

63. Ministry of Commerce and Industry, Department for Promotion of Industry and Internal Trade vide Gazette Notification No. G.S.R. 646(E). dated 21st September 2021 amended the Patent Rules. The Patent Rules have now extended the benefits related to 80% reduced fee for patent filing & prosecution to educational institutions as well. (September 2021

9.2 Glossary of Terms

Terms	Definition
AAI	Airports Authority of India
ACICs	Atal Community Innovation Centres
AI	Artificial Intelligence
AIM	Atal Innovation Mission
ANIC	The Atal New India Challenge
ASCEND	Accelerating Startup Calibre and Entrepreneurial Drive
ASEAN	Association of South East Nations
BHASKAR	Bharat Startup Knowledge Access Registry
BIRAC	Biotechnology Industry Research Assistance Council
BSGC	Bharat Startup Grand Challenge
CGSS	Credit Guarantee Scheme for Startups
DCIS	The Digital Communication Innovation Square
DPITT	Department of Industry and Internal Trade
DSIR	Department of Scientific and Industrial Research
DST	Department of Science and Technology
EPFO	Employee's Provident Fund Organization
ESG	Environmental, Social and Governance
ESIC	Employee's State Insurance Corporation
ESOPs	Employee Stock Ownership Plans
FEMA	Foreign Exchange Management Act
FFS	Funds of Funds for Startups
FIRMS	Foreign Investment Reporting and Management System
FVCI	Foreign Venture Capital Investor
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GENESIS	Gen-Next Support for Innovative Startups
GSDP	Gross State Domestic Product
GVCs	Global Value Chain
iDeX	Innovations for Defence Excellence
IoT	Internet of Things
IPR	Intellectual Property Rights
ISRO	Indian Space Research Organisation
KSUM	Kerala Startup Mission

LFP	Lithium Iron Phosphate
MAARG	Mentorship, Advisory, Assistance, Resilience and Growt
MeiTY	Ministry of Electronics and Information Technology
MSME	Ministry of Micro, Small and Medium Enterprises
NCGTC	National Credit Guarantee Trustee Company
NIDHI	National Initiative for Developing and Harnessing Innovations
NIFTEM	National Institute of Food Technology Entrepreneurship and Management
NMC	Nickel Manganese Cobalt
NSA	National Startup Awards
NSAC	National Startup Advisory Council
OPC	One Person Companies
PE	Private Equity
PMEGP	Prime Minister Employment Generation Program
PRABHAAV	Powering a Resilient and Agile Bharat for the Advancement of Visionary Startups
PwD	Persons with Disabilities
R&D	Research and Development
RKVY	Rashtriya Krishi Vikas Yojana
RMoC	Regional Mentors of Change
SBIR	The Small Business Innovation Research
SCO	Shanghai Cooperation Organisation
SEBI	Securities and Exchange Board of India
SHGs	Self Help Groups
SIDBI	Small Industries Development Bank of India
SISFS	Startup India Seed Fund Scheme
SMF	Single Master Form
SOFTEX	Software Export Declaration
SRF	States' Startup Ranking Framework
STPI	Software Technology Parks of India
STTR	Small Business Technology Transfer
SUI	Startup India
TDF	Technology Development Fund
TIDE	Technology Incubation and Development of Entrepreneurs
UPI	Unified Payments Interface
VC	Venture Capital

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