



सत्यमेव जयते

Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

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STATES' STARTUP RANKING 2022

NATIONAL REPORT





Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade

STATES' STARTUP RANKING 2022 on Support to Startup Ecosystems

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

#startupindia


पीयूष गोयल
PIYUSH GOYAL



वाणिज्य एवं उद्योग,
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण तथा
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CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION AND
TEXTILES, GOVERNMENT OF INDIA



FOREWORD

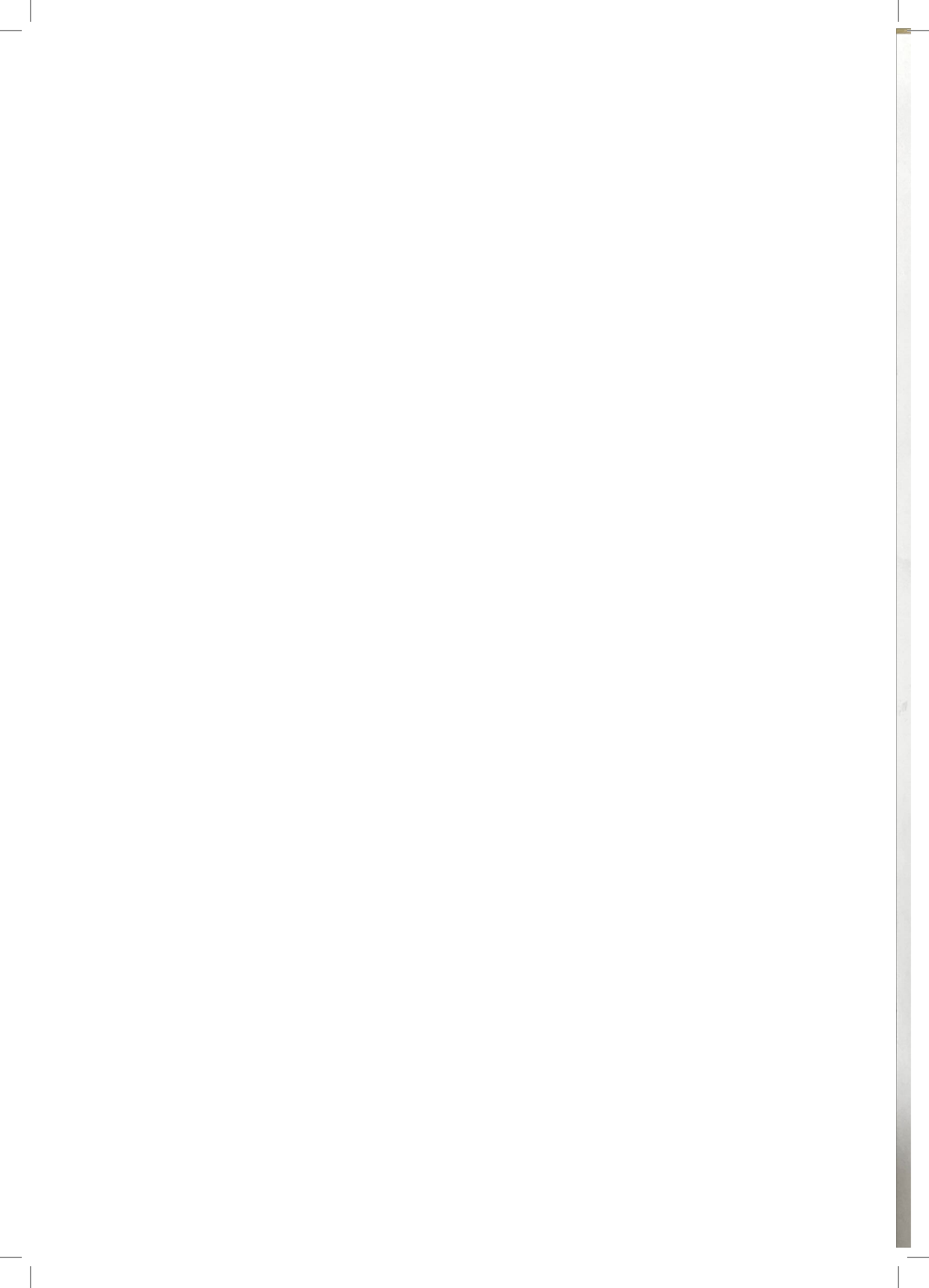
Our Hon'ble Prime Minister, Shri Narendra Modi ji, launched the Startup India initiative in 2016 with the intent to create a conducive environment for startups and innovation. The journey to inculcate the entrepreneurial spirit in the remotest part of the nation requires the coordination and cooperation of all States and Union Territories. To facilitate this participation, under the Hon'ble Prime Minister's dynamic leadership, the States' Startup Ranking Framework was envisaged to decentralize program execution by empowering and promoting States and Union Territories, enabling cooperative and competitive federalism. The past three editions of the exercise have created an exceptional impact and further transformed India into a leading global startup hub.

In our journey towards achieving *Atmanirbharta*, startups play a pivotal role as the driving force behind technological advancements, job creation, and economic empowerment. The States' Startup Ranking Framework has facilitated massive changes, and as a result, multiple States and Union Territories have dedicated startup portals to promote entrepreneurship and contribute to the goal of a 'Viksit Bharat' by 2047. The Framework supplements our vision of creating a vibrant and inclusive startup ecosystem that encourages both urban and rural regions to actively participate in this transformative journey. Today, recognized startups are present in all States and Union Territories, covering over 80% of our districts. The States' Startup Ranking Framework has made it apparent that the startup wave is reaching all parts of the nation. There has been significant progress on several fronts as a result of this policymaking, and it is expected that the learnings from this edition will help the startup ecosystem grow further.

Exemplifying India's global commitments, for the first time since the inception of the States' Startup Ranking Framework, the evaluation of State and Union Territory ecosystems has incorporated the critical dimension of sustainability. It is heartening to see the states and Union Territories actively participating in this paradigm shift towards a sustainable and resilient future.

I extend my heartfelt appreciation and congratulations to all the States, Union Territories, and startups that have actively contributed to this transformative journey over the years. Let us take a pledge to continue to chart a course toward a future where innovation and sustainability go hand in hand, creating a lasting impact on our nation and the world.


Piyush Goyal





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सत्यमेव जयते
75
आज़ादी का
अमृत महोत्सव

राज्य मंत्री
वाणिज्य एवं उद्योग मंत्रालय
भारत सरकार
Minister of State
Commerce & Industry
Government of India

MESSAGE

The launch of the Startup India initiative by the Hon'ble Prime Minister in January 2016 has catapulted the growth of startup ecosystem in India substantially. From only over 300 startups in 2016, the total number of recognised startups in the country has now grown to over 1.15 lakh.

States' Startup Ranking is a pivotal initiative that evaluates States and Union Territories on their efforts to build an ecosystem conducive for the growth of startups. Cooperative and competitive federalism are the underlying principles of the States' Startup Ranking exercise fostering 'Sabka Saath, Sabka Vikas'.

The promotion of the startup movement in States and Union Territories (UTs) is key to taking up the startup movement across the country. The States' Startup Ranking Framework is important in decentralising the execution of Startup India initiative. The exercise identifies good practices, fosters mutual learning amongst States and UTs, and develops momentum across all States and UTs of the country to build a favourable policy landscape for startup ecosystems. Numerous capacity-building workshops are also conducted as a part of the exercise.

The Ranking is one of the numerous efforts by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Startup India initiative making a significant impact in the country. The Government of India is also implementing flagship schemes to enable financial support to startups across various stages of operation. The Fund of Fund for Startups with a corpus of Rs. 10,000 crore is increasing capital availability for startups and to catalyze private investments so as to accelerate the growth in Indian startup ecosystem. The Government also launched the Startup India Seed Fund Scheme with a corpus of Rs. 945 crore to provide financial assistance to early-stage startups. Additionally, to promote collateral free debt funding to the startups, the Government has established Credit Guarantee Scheme for Startups to provide appropriate risk cover and comfort to financial institutions.

In this edition of the States' Startup Ranking, we witness a remarkable stride towards inclusivity and diversity within the startup ecosystem. Significant contributions of women entrepreneurs in driving India's startup revolution can be noted as about 47% of the recognized startups boast at least one-woman director, a true reflection of Nari Shakti.

A testament of the benefits of the holistic transformation of the startup ecosystem can also be observed with the notable increase in the funding of startups, and in number of participating States and UTs providing exemptions to startups in government work orders and purchase orders.

I would like to congratulate the startup ecosystem of each participating State and Union territory for their extraordinary journey and reiterate our commitment to building a future where every State and UT in our country is a thriving hub for innovation.

(SOM PARKASH)



#startupindia



Shri Rajesh Kumar Singh

Secretary, Department for Promotion of Industry and
Internal Trade

Since the launch of the Startup India initiative, the innovation and startup landscape of the country has witnessed a significant transformation. The initiative has today evolved into the launchpad for ideas in the country. In line with the vision of self-reliance, Startup India initiative was launched in 2016, with the objective of supporting budding entrepreneurs, building a robust startup ecosystem, and transforming India into a country of job creators instead of job seekers. The exemplary leadership of our Hon'ble Prime Minister and the concerted efforts of the stakeholders across domains have enabled formation of a strong and inclusive startup ecosystem. India is now home to over 1.15 lakh recognised startups that have created over 12 lakh direct jobs.

The Department for Promotion of Industry and Internal Trade (DPIIT) launched the States' Startup Ranking Framework with the objectives to highlight and appreciate the policy intervention by States and Union Territories (UTs) for promoting startup ecosystem, and foster learning among the stakeholders. It is a first-of-its-kind initiative to harness strength of competitive federalism. It is complemented with year-round capacity building exercise in the form of international, national, and regional knowledge exchange programs for policy makers and administrators to gain from global and national good practices.

This edition also evolved to focus more on the scope for growth and sustainability of the ecosystem. It saw the participation of 33 States and UTs, highlighting a nationwide commitment to this vision.

In recent years, India has witnessed an unprecedented surge in entrepreneurial zeal, with a myriad of innovative ideas transforming the country. India is currently amongst the leading startup ecosystems in the world. This transformation is not limited to any specific region; the development of the ecosystem spans across the length and breadth of our nation.

As we stand on the cusp of a new frontier, the startup ecosystem of each State and UT plays a pivotal role in the growth of startups. We are proud to witness the collaborative efforts of governments, investors, and entrepreneurs in shaping a conducive ecosystem for startups. Additionally, this edition constituted an in-depth feedback mechanism. Over 10,000 responses were collected in 9 languages through web-based and telephonic surveys. As a part of the qualitative feedback, 155 in-depth interviews of the ecosystem enablers and startups were conducted across 28 cities in India.

I wish to convey my appreciation to all the startups, investors, and other stakeholders who have contributed to this vibrant ecosystem. Through this collective endeavour, we are confident that India will continue to be a global hub for innovation and entrepreneurship, fostering a new era of growth and prosperity.



Shri Sanjiv

Joint Secretary, DPIIT, Ministry of Commerce
and Industry

Under the visionary leadership of our Hon'ble Prime Minister Shri Narendra Modi, the Startup India initiative was launched in 2016. Over the years, the initiative has acted as a catalyst for the startup culture in the country, giving boost to a strong and inclusive ecosystem for innovation and entrepreneurship in India. With several dedicated initiatives led by the Government, spirit of entrepreneurship has reached the grassroots of our country.

States' Startup Ranking Framework aims towards further enhancing this startup movement by promoting and handholding States and UTs. The objective also includes capacity development of States and UTs to holistically build the Indian startup ecosystem. It gives me great pleasure to conclude the 4th edition of the States' Startup Ranking. In this edition, there are 25 action points categorized into 7 broad pillars including Institutional Support, Fostering Innovation and Entrepreneurship, Funding Support, and Incubation Support.

Under the 4th edition, capacity-building workshops were conducted nationally in Hyderabad, Jaipur, and Shillong, and internationally in the Netherlands and South Korea. The workshops offered an opportunity for participating States and UTs to interact with each other, exchange best practices, and interact with the leading startups, investors, and incubators. Additionally, States and UTs reportedly conducted over 95 capacity-building workshops, with the participation of over 2200 government officials. Several programs were organized with the objective of sensitizing startups about market access and procurement opportunities, across 30 States and UTs witnessing the participation of over 3,200 startups.

The States' Startup Ranking Exercise is an enriching experience for all the participants, and we truly appreciate the efforts made by all the stakeholders in strengthening the startup ecosystem of the country.



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01

**INTRODUCTION:
INDIAN STARTUP
ECOSYSTEM AT A
GLANCE**



1 Introduction: Indian Startup Ecosystem at a Glance

A successful Startup ecosystem consists of “a network of interconnected entities, organisations, and resources that support the growth, development, and success of Startups within a specific geographic location”¹. It includes stakeholders such as Startups, investors, accelerators, incubators, educational institutions, government organizations, corporates, to name a few. They provide guidance, connections, advocacy, and legitimacy to the ecosystem.

The Startup ecosystem in India has a diverse range of entrepreneurs, investors, mentors, and enablers ranging from a variety of sectors and districts. This chapter will examine how these different stakeholders come together to collaborate and interact, to create value, innovation, and impact at a larger scale for the overall economic development of the country. Additionally, a specific focus would be laid on the various initiatives undertaken by the Government at the central level, the private ecosystem players, and the Startups themselves in contributing towards making the Indian Startup ecosystem dynamic, vibrant, and successful.

1.1 Introduction to the Indian Startup Ecosystem

The country’s talented workforce, entrepreneurial and innovation spirit, and digital transformation has made it the third largest Startup ecosystem in the world and is growing at a steady pace. It ranks second in innovation quality and ninth in terms of finance for Startups and scaleups. The number of recognised Startups has grown at **120% (CAGR)** over the last **7 years** and stands at over one lakh Startups as on October 2023.

The coverage of Startups has increased six folds in the last seven years with presence in close to **670+** districts across the country. Close to **50%** of the recognised Startups are based out of Tier 2 and Tier 3 cities. As of December 2023, India is home to a total of 112 unicorns with a total valuation of **~ INR 30L Cr**. Out of the total number of unicorns, 45 unicorns with a total valuation of **~ INR 8.5L Cr** were born in 2021 and 22 unicorns with a total valuation of **~ INR 2.5L Cr** were born in 2022.

¹ <https://www.Startupblink.com/blog/how-to-build-a-Startup-ecosystem/>

² Global Innovation Index 2023”, World Intellectual Property Organization (WIPO), <https://www.wipo.int/edocs/pubdocs/en/wipo-pub-2000-2023-en-main-report-global-innovation-index-2023-16th-edition.pdf>, accessed on 18 December 2023

³ <https://inc42.com/the-indian-unicorn-tracker/>

Over the past seven years (2015-2022), there has been an:

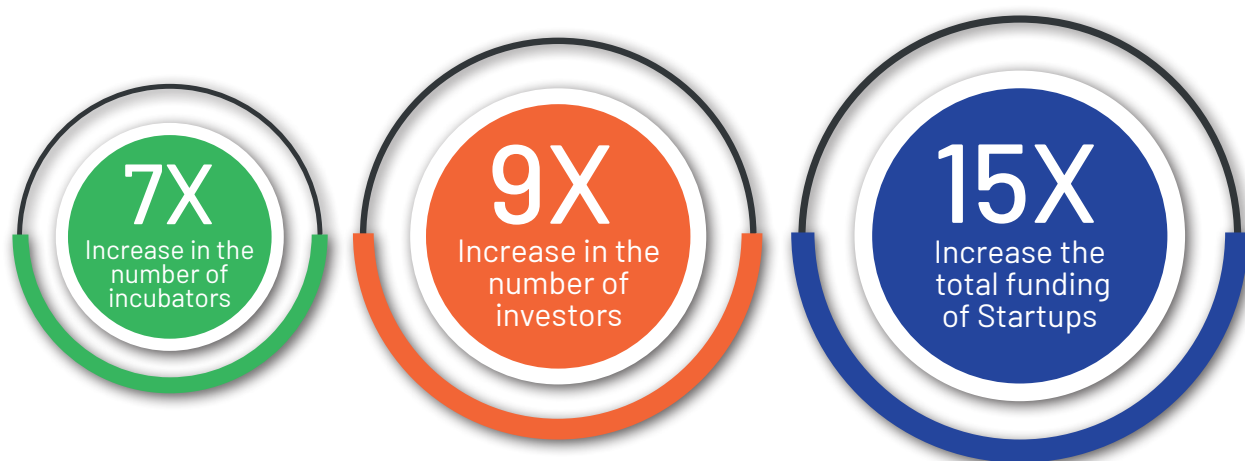


Figure 1 : Startup Portal Landscape

1.2 Role of the Central Government

The leading role of the Government of India (GoI) in promoting Startups has been to set the direction of growth through effective policy design. Since the inception of the Startup India initiative, DPIIT has catalyzed networking, training, and mentoring, along with targeted entrepreneurship outreach campaigns across the country.

1.2.1 Initiatives at Central Level

Startup India Initiative

The Government of India launched the Startup India initiative on 16th January, 2016 to build a strong ecosystem for nurturing innovation and Startups in the country. The initiative was inaugurated by Hon'ble Prime Minister, Shri Narendra Modi, to promote the entrepreneurial potential of the country.

An Action Plan for Startup India comprising of 3 pillars and 19 action items was also released, setting the roadmap for Startup India.



Scan QR code to access: Startup India Action Plan

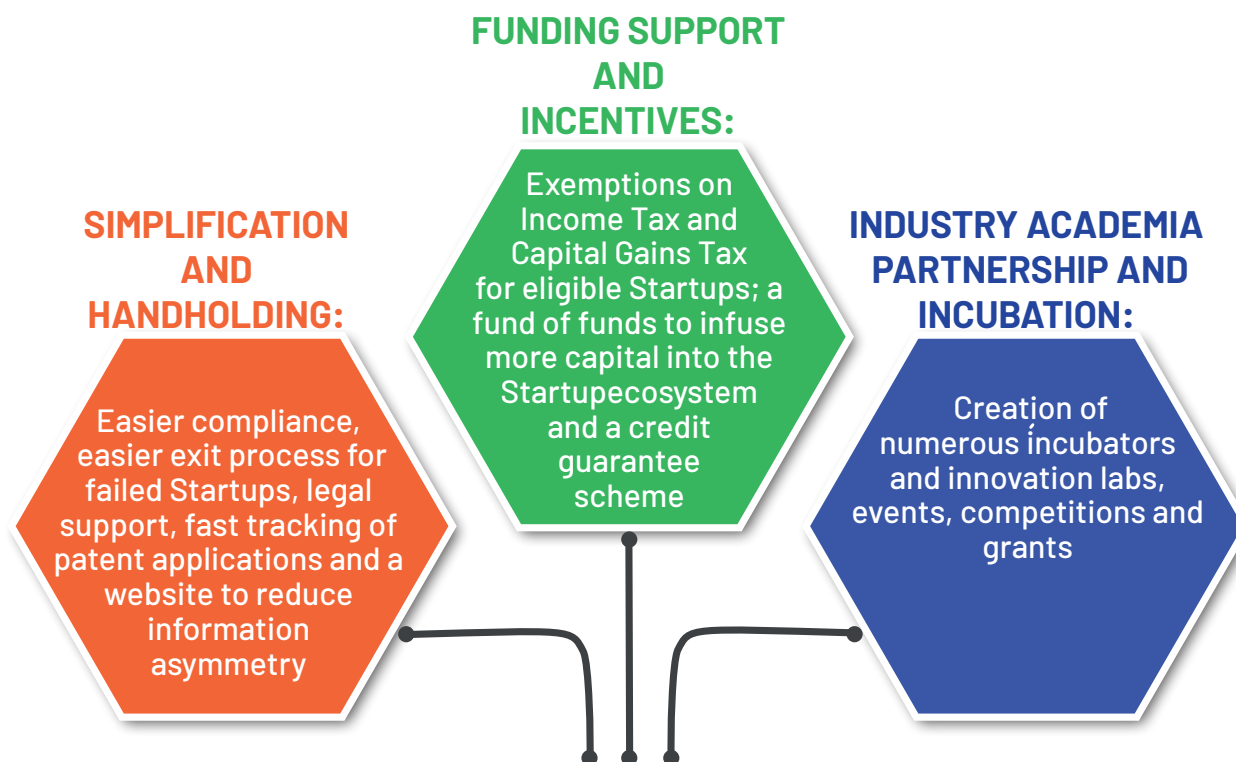


Figure 2 : Startup India Pillars of Action

The Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry (MoCI), Government of India (GoI) is the nodal department for Startups in India.

The Government of India has also implemented various flagship schemes under the Startup India initiative, namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS), and Credit Guarantee Scheme for Startups (CGSS) to support Startups at various stages of their business cycle to enable them to graduate to a level where they are able to raise investments or seek loans for a steady and healthy sustenance.

1. Funds of Funds (FoF) Scheme: The FoF for Startups Scheme was approved and established in June 2016 with a corpus of **INR 10,000 Cr.** The scheme with contribution spread over the 14th and 15th Finance Commission cycle based on progress of implementation, to provide much-needed boost to the Indian Startup ecosystem and enable access to domestic capital.



Access to FoF Scheme

2. Startup India Seed Fund Scheme (SISF): SISF was launched and approved for a period of four years starting from 2021-22 with a corpus of **INR 945 Cr.** The scheme was set up with an aim to provide financial assistance to Startups for proof of concept, prototype development, product trials, market entry, and commercialization.



Access to SISF Portal

3. **Credit Guarantee Scheme for Startups (CGSS):** The establishment of CGSS was aimed at providing credit guarantees to loans extended to DPIIT-recognized Startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under Securities and Exchange Board of India (SEBI)-Registered Alternative Investment Funds.



Access to CGSS Portal

4. **Startup India Investor Connect:** Startup India Investor Connect is a platform that connects Startups with investors to facilitate investment opportunities through AI-based matchmaking. Through this, entrepreneurs can directly reach out to multiple investors using one single application and pitch their Startup idea.



Access to Investor Connect Portal

These schemes are providing impetus to economic growth, to foster innovation, and to boost employment while positioning the country as an attractive destination for investment and entrepreneurship.

1.2.2 The Growth Story of the Indian Startup Ecosystem

Some of the achievements of the Startup India Initiative from 2016 till date in figures are as follows:

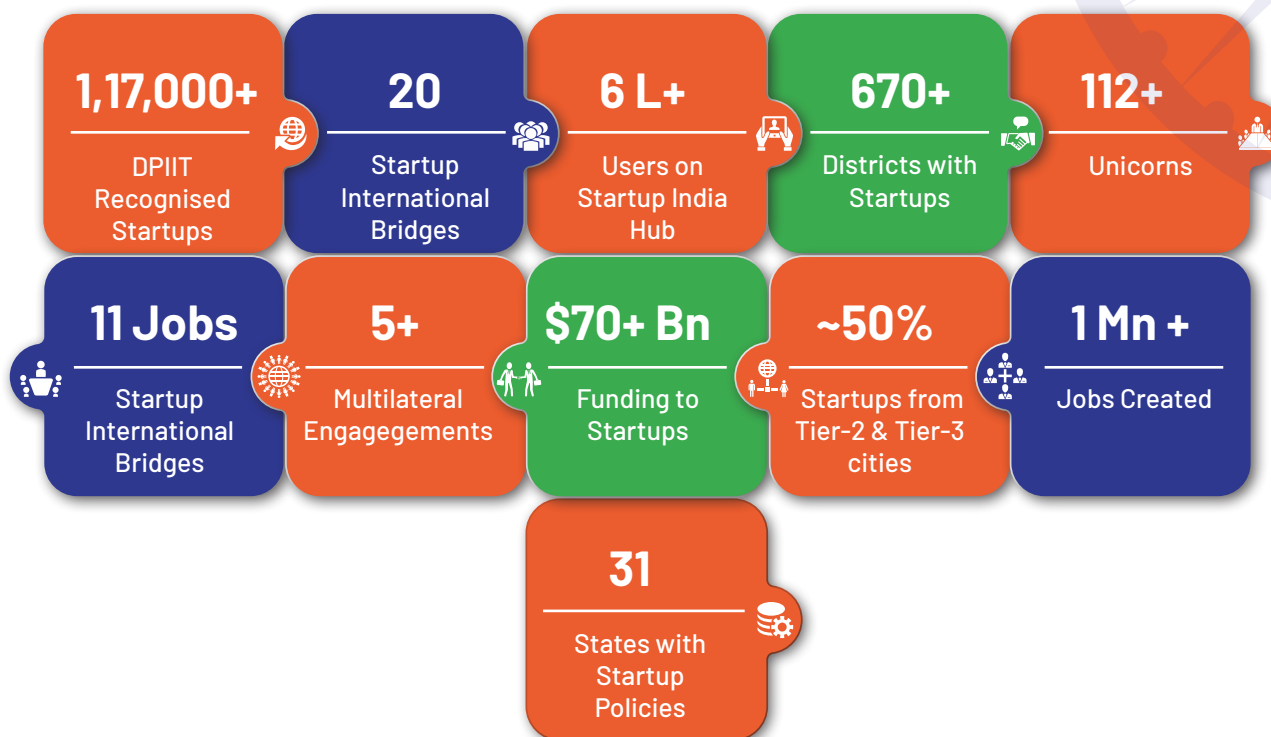


Figure 3 : Growth of Indian Startup Ecosystem

1.2.3 Other Initiatives at the Central Level

India has been actively promoting entrepreneurship and Startups through various initiatives. Each Ministry and Department has had a significant role to play in promoting Startups in their respective sectors. Some of the Central Government initiatives undertaken toward strengthening the Startup ecosystem include:



Innovations for Defence Excellence (iDEX):

iDEX is a scheme by the Department of Defence Production, Ministry of Defence which aims to give impetus to innovation, design and development, and support Startups and innovators for successful prototype development. The Scheme facilitates financial support to nearly 300 Startups, MSMEs, individual innovators, and around 20 partner incubators.⁴

Innovation and Agri-Entrepreneurship Development Program: This program supported by the Ministry of Agriculture and Farmers Welfare aims to promote innovation and agri-entrepreneurship by providing financial support and nurturing an incubation ecosystem in the country. The scheme aims to boost agri-Startups in the country by 20% from 1176 Startups in July 2023.



Atal Innovation Mission (AIM): AIM has established **10,000+** Atal Tinkering Labs, which engage more than **75 L** students across **34** states and UTs. AIM has supported more than **2900+ Startups** and created **6100+** strong mentor network across the nation. Bridging the gap between inclusion, innovation, and sectoral penetration.⁵

Promoting Innovations in Individuals, Start-ups and MSMEs (PRISM):

This scheme aims to support individual innovators to achieve the agenda of inclusive development. The Department of Science and Institutional Research sanctioned **132** proposals for establishing Startups.⁶



⁴ Scheme for Innovations for Defence Excellence (iDEX): Microsoft Word - iDEX scheme Final2

⁵ Atal Innovation Mission: <https://aim.gov.in/>



1.3 Role of the Private Ecosystem

The Indian Startup ecosystem is not only supported by the government, but also recognizes and encourages the participation of private actors. These stakeholders play a vital role in providing funding, mentorship, networking, and innovation opportunities for the emerging entrepreneurs. The collaboration between the public and private sectors creates a conducive environment for the growth and development of the Startup scene in India.

Under the Startup India initiative, the DPIIT recognised Startups are provided with access to more than **250** corporate partners through various corporate challenges, networking avenues, pro-bono partnerships and so on. Till date, more than **850 DPIIT** recognised Startups have benefitted through these partnerships, with **12,000+** solutions curated and benefits worth **INR 60 Cr** disbursed.

Raising capital and valuation is an essential element of maintaining cash flows and providing suitable exit options to investors. Capital investment in a company is directed into product development, manufacturing, expansion, sales and marketing, office spaces and inventory. 2021 was a pivotal year for the Indian venture capital (VC) investment landscape, highlighting the record growth in **VC funding of \$38.5 bn (INR 3 L Cr)**. As per India Venture Capital Report 2022, India stands at:



Investments in India grew **3.8x over 2020**, faster than China's (1.3x)



The share of VC funding in India accounted for greater than **50%** of overall private equity (PE) and VC investments in the country in 2021



44 unicorns were minted in India, exceeding China's **42** unicorns in the year

Venture Capital Funding in India

⁷India Venture Capital Report 2022: <https://www.bain.com/insights/india-venture-capital-report-2022/>

1.4 Role of Startups and their Growth

Startups are now a household name and a preferred profession. Today, Startups are contributing economically, creating wealth, and generating employment across the length and breadth of the country be a metropolitan city or a village.

The fact that **50%** of DPIIT recognised Startups are from Tier II & Tier III cities today is a validation of the tremendous potential of the country's youth.

The number of DPIIT-recognized Startups has been growing at a rate of more than **35%** for the last two years across **57** diversified sectors and covering more than **670** districts across the nation.

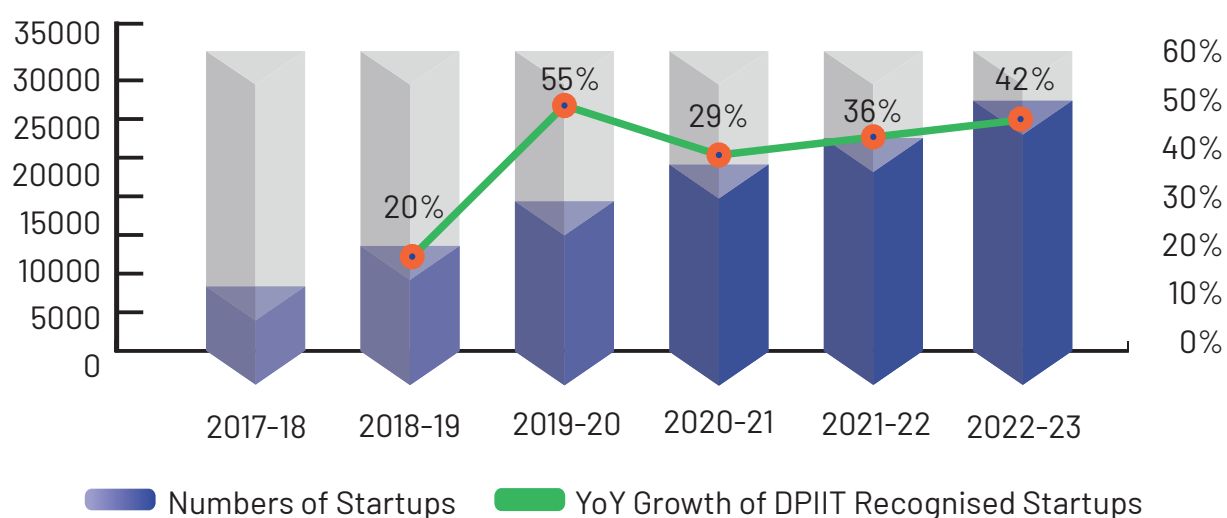


Chart 1 : Growth of DPIIT Startup Recognition

Solving local problems at scale, ranging across issues like healthcare, education, agriculture, financial services is the key driving force of the increasing number of Startup hubs from the Tier-2 and Tier-3 cities of India.

Startups are creating a manifold impact in society by introducing innovative solutions, creating large-scale employment, contributing to economic growth, and garnering huge demand from the private as well as government sector. The young population of India is driving a culture of innovation, entrepreneurship, and diversity that will play a critical role in achieving the nation's ambitious target to make Indian Startup ecosystem the largest in the world.

Additionally, Startup India is also boosting women entrepreneurship in India through the development of networks and communities, and the activation of partnerships among various stakeholders in the Startup ecosystem. This is done to promote the development of women entrepreneurs for the country's balanced growth. In the last seven years, the country has seen tremendous growth in the number of women entrepreneurs.

Over the past five years, the number of Startups in India that are driven by women has increased by **4%**. There is at least one-woman director in about **49%** of all DPIIT-recognized firms.

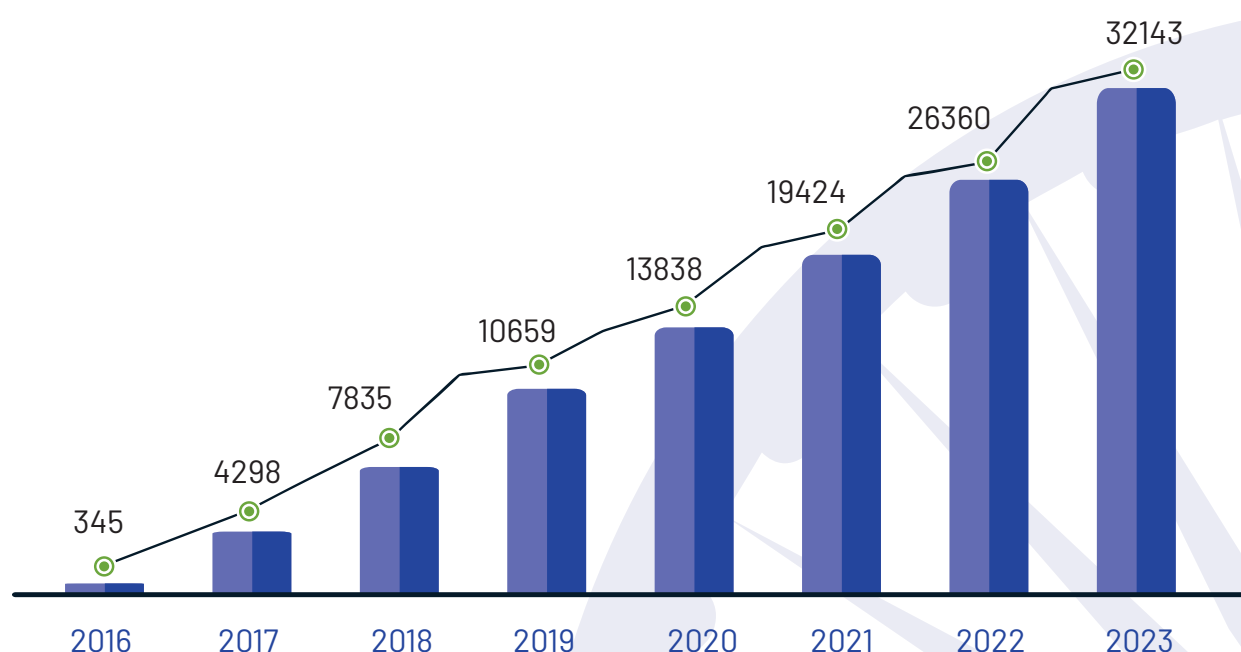


Chart 2 : Women-led Startups in India

In the fourth edition of the States' Startup Ranking exercise, **28** participating States / UTs claimed to have provided support/incentives to more than **9000** women led startups across **356** districts.

22 States and UTs have notified policy document covering definition for women led Startups and special incentives for the same. **8** States and UTs have drafted a policy specially for women led Startups having a clear definition of the incentives provided.

These schemes specifically focus on women entrepreneurs. At every stage, various workshops were conducted to include deliberation on several topics and successful entrepreneurs share their entrepreneurial journeys.

1.5 India as a Global Startup Hub

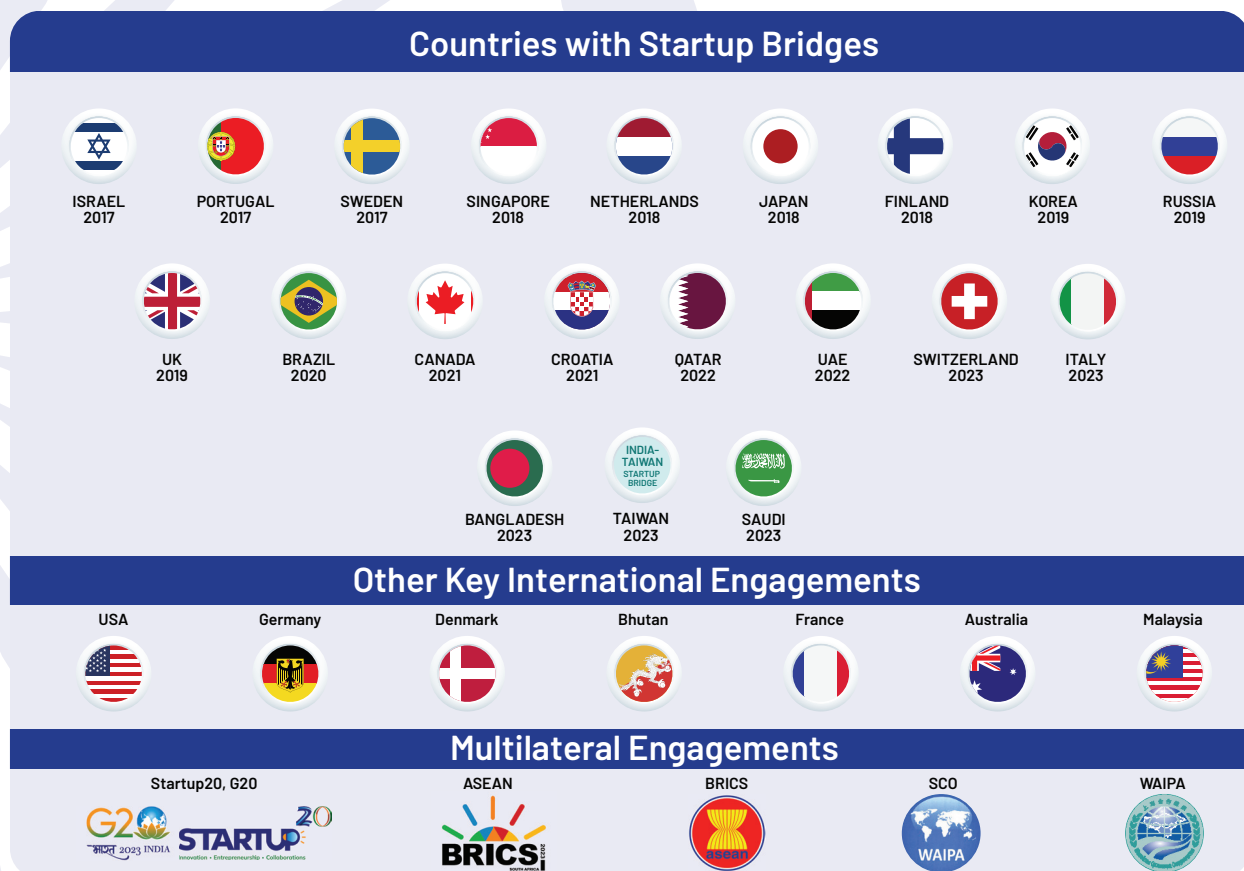
India's Startup journey has been remarkable from a niche ecosystem to a global powerhouse. This collectively possible through vibrant spirit of entrepreneurship, skilled talent, and an evolving digital landscape. The country is now a force to be reckoned with in the global Startup scene.

1.5.1 Global Startup Scenario

Over the last decade, India has seen an upheaval in the entrepreneurial spirit among the youth of the country. The transformation has been witnessed across various sectors, aided by the increasing appetite for innovation among the youth and a widening pool of skilled professionals.

One of the key objectives under the Startup India initiative is to help connect Indian Startup ecosystem to global Startup ecosystems through various engagement models. This has been done through international Government to Government partnerships, participation in international forums and hosting of global events. As of 31st December 2023 Startup India has launched bridges with **20** countries that provides a soft-landing platform for Startups from the partner nations and aid in promoting cross collaboration.

Additionally, under the guidance of DPIIT, Startup India has been engaging in several bilateral with countries like USA, Germany, Denmark, Bhutan, France, Australia, and Taiwan and prominent multilateral engagements including **BRICS, SCO, WAIPA, Startup20 and ASEAN** engagements to build cross border knowledge-exchange systems and facilitate cross-border incubation and acceleration programs that will enable the Startups to explore international markets and get focused mentorship.



1.5.2 Startup India's Multilateral Engagements Startup20:



“Our G20 priorities will be shaped in consultation with not just our G20 partners, but also our fellow travellers in the global South, whose voice often goes unheard.”

Hon'ble Prime Minister Shri Narendra Modi

Startup20, established as an official engagement group under the G20 India Presidency 2023, meant to serve as a platform in the interest of Startups as Business20 (B20) serves the interest of large businesses and MSMEs. Considering that India has, in a short span, become the third largest ecosystem in the world, Startup20 has also helped clearly position India as the global hub for Startups.

It acts as a dialogue forum with the global Startup ecosystem stakeholders and intends to represent the global Startup ecosystem to raise the macroeconomic concerns and challenges faced by entrepreneurs with G20 leaders. This would function like other G20 engagement groups, supported by G20 India Sherpa initially along with the Startup20 secretariat.

In congruence with the ideology of Prime Minister Shri Narendra Modi, Startup20 aims to connect with multiple stakeholders in the Startup ecosystem to drive growth and collaboration. It will seek to advance important subjects for discussion and develop recommendations for each priority area using a consensus-based methodology.

This engagement group aimed to create a global narrative for supporting Startups and enabling synergies between Startups, corporates, investors, innovation agencies and other key ecosystem stakeholders. Startup20 calls for commitment of **~INR 80 L Cr** for Startups by 2030.

India is one of the few countries that has made a distinction between Startups and Micro Small and Medium Enterprises (MSMEs). The importance of this distinction is highlighted by the inclusion of a Startup definition within the Startup20.

India has catalysed for the adoption of its success stories in Digital Public Infrastructure (DPI) and UPI payment to the G20 and beyond, through initiatives such as One Future Alliance and Digital Innovation Alliance. This has helped put the spotlight on the innovations and solutions offered by the Startup ecosystem in India, offering a chance for Indian Startups to access the international markets and global funding opportunities.



Figure 4 : Communique release of Startup 20 report

The success of India's Startup20 initiative has shown that India has the potential to not only lead the Startup ecosystem but also to create a blueprint for global entrepreneurial success.

Shanghai Cooperation Organisation

Shanghai Cooperation Organisation (SCO) is a permanent intergovernmental international organization, comprising of **8** Member States namely the Republic of India, the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan.

The SCO focusses on strengthening mutual trust and neighbourliness among the Member States, promoting their effective cooperation in politics, trade, economy, research, technology, and culture, as well as in education, energy, transport, tourism, environmental protection, and other areas; making joint efforts to maintain and ensure peace, security, and stability in the region; and moving towards the establishment of a democratic, fair, rational new international political and economic order.

India at SCO for Startups and Innovation 2023

India has taken several initiatives to build to empower the local Startup ecosystems in the SCO Member States, provide value to Startups through mentoring and enabling access to investor and corporate engagement activities, and solve social problems through innovative solutions and exchange knowledge on how institutional interventions can be introduced to support the Startup ecosystem.

The SCO Startup Forum is a platform for the stakeholders from the Startup ecosystems from all SCO Member States to interact and collaborate. The entrepreneurial activities aim to empower the local Startup communities in the SCO Member States. The SCO Startup Forum aims to create multilateral cooperation and engagement for Startups among the SCO Member States. This engagement will empower the local Startup ecosystems in the SCO Member States.

India-ASEAN Startup Summit 2023

The India-ASEAN Startup Summit was a first-of-its-kind event focusing on the collaboration between Malaysia and India in Klang Valley, Malaysia. The was held on the 12th and 13th of December 2023. It provided a forum for networking with industry experts, pitching workshops, business matchmaking with VCs and investors, as well as showcasing the Startups to almost **11+** participating countries. **More than 1000** participants, **600** emerging Startups, **50** Investors (domestic and international), **100 Startup** hubs, incubators, accelerators, and government officials took part in the India-ASEAN Startup Summit 2023.

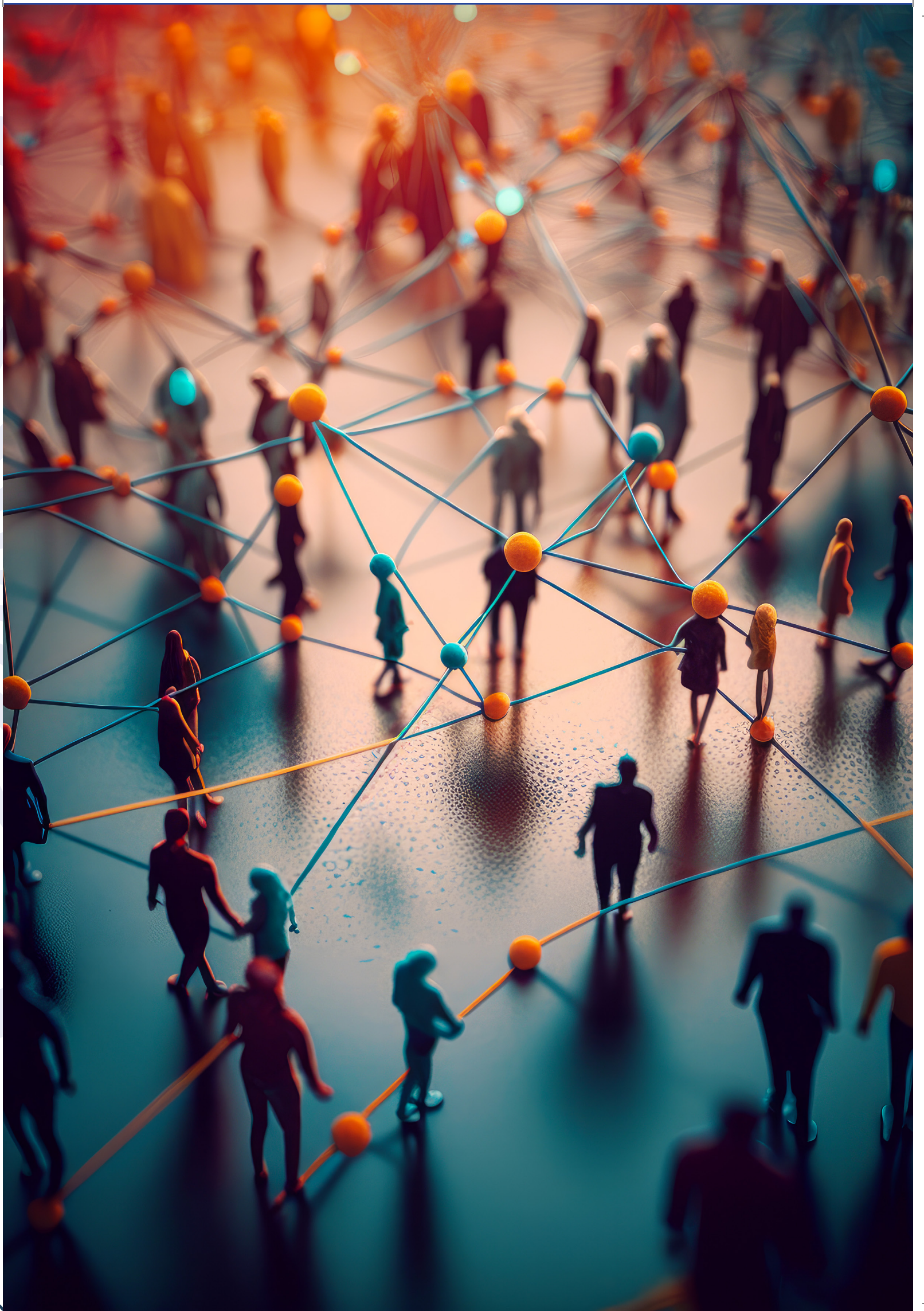
Startup India, DPIIT took a delegation of selected Indian Startups to support them in their market expansion journey.

Other forms of intervention under the Startup India initiative to help further strengthen India's place globally, include:

- 1. Handholding support under National Startup Awards (NSA):** it is an initiative undertaken by Startup India to recognize and reward Startups and ecosystem enablers who are building innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact. Under this initiative, the winners and finalists are provided with handholding support across various tracks viz. Investor Connect, Mentorship, Corporate Connect, Government Connect, International Market Access, Regulatory Support, Startup Champions on Doordarshan, Startup India Showcase and so on .
- 2. Startup India Innovation Week:** DPIIT organises Startup India Innovation week around the National Startup Day, i.e., 16th January, with the primary goal to bring together the country's key Startups, entrepreneurs, investors, incubators, funding entities, banks, policymakers, and other national/international stakeholders to celebrate entrepreneurship and promote innovation.

Numerous factors have helped collectively shaped a strong and sustainable Startup ecosystem in India, which is already on its path to becoming a global leader of the Startup ecosystem. The upcoming chapter focuses on the key initiatives undertaken by the diverse States / UTs of India.





02

**THE STARTUP
ECOSYSTEM
IN STATES
AND UNION
TERRITORIES:
EVOLUTION & GROWTH**



The Startup Ecosystem in States and Union Territories

With emergence of India as a global player in the Startup ecosystem, a significant driving force has been the enthusiastic participation from all states and union territories of the country in contributing uniquely to the overall entrepreneurial landscape, thereby fostering innovation and economic growth.

2.1 On Support to State Startup Ecosystem

Various central government teams including that of the Startup India team is working in tandem with the State / UT nodal bodies for enabling the development of the regional and local Startup ecosystems, and handholding the states / UTs for developing policies and programs for the ecosystem stakeholders.

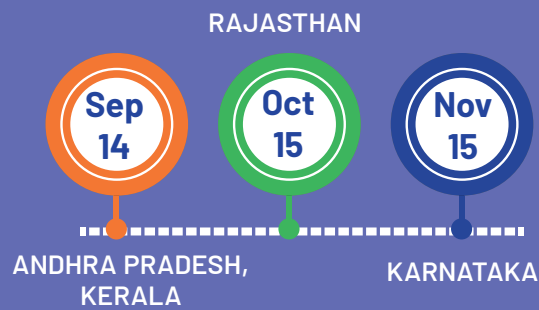


A States' Startup Policy is critical in providing the essential funding, mentorship, and market access support required by Startups to grow as important contributors to the States' economy in terms of revenue and job creation. The Startup India team provides active support to States in formulation and operationalization of Startup policies.

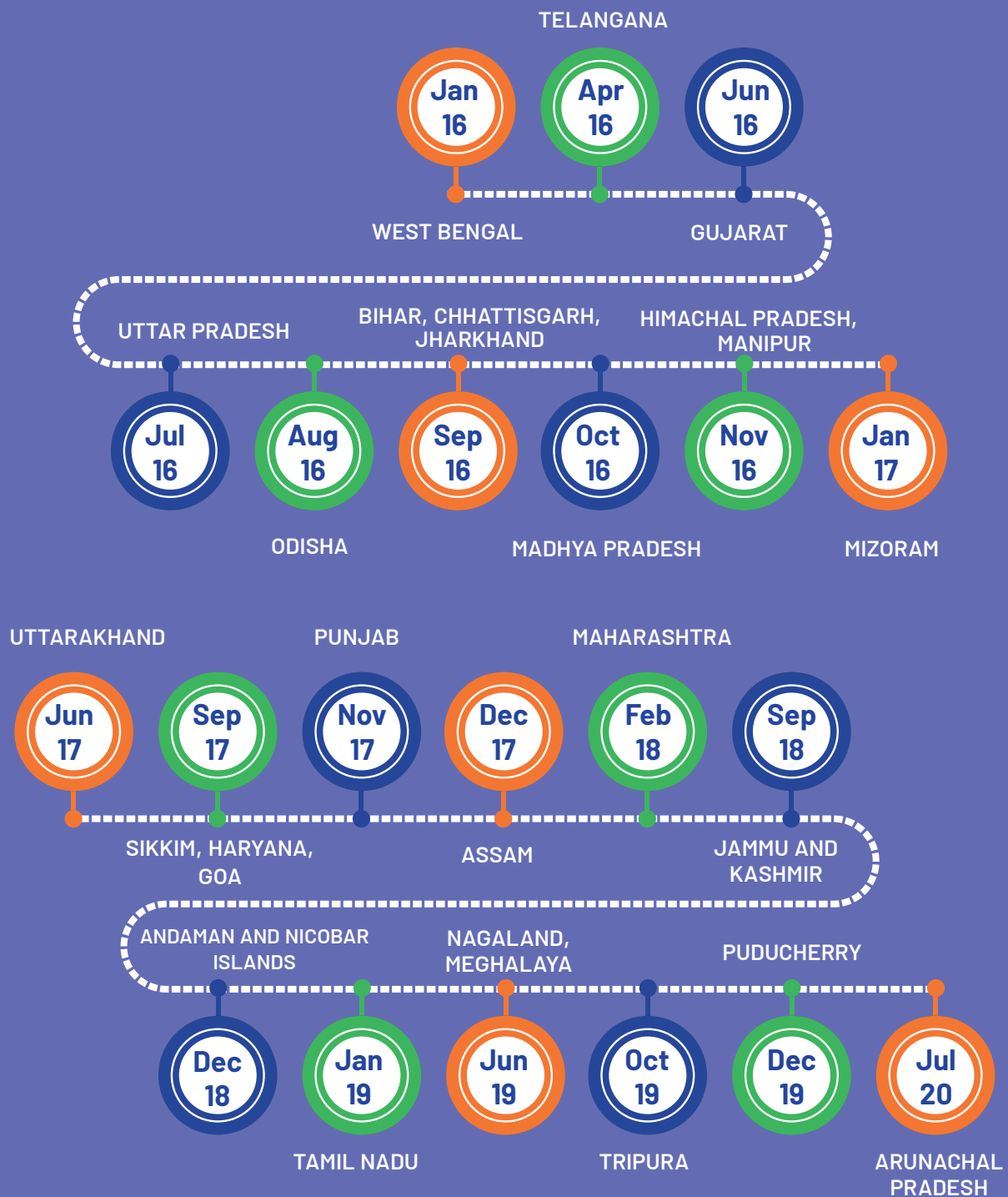
Today, 31 of the **36 States** and Union Territories have a dedicated Startup Policy. **27** of these Startup policies were developed after the launch of the Startup India initiative in 2016. Noteworthy to mention that there is at least one DPIIT recognised Startup present in each of the **36 States** and union territories.

STATE/UT STARTUP POLICY

BEFORE LAUNCH OF STARTUP INDIA INITIATIVE



JANUARY 2016 – AFTER THE LAUNCH OF STARTUP INDIA INITIATIVE



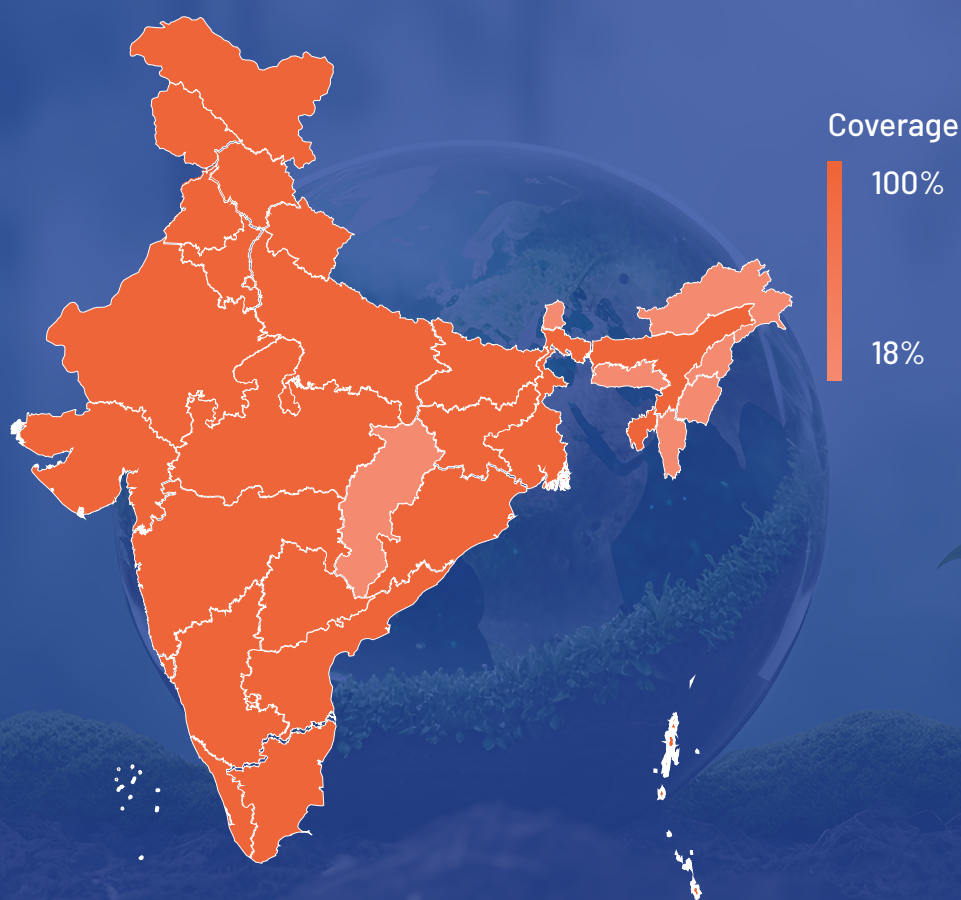


Chart 3 : District Wise Percentage Coverage of Startups

Initiatives & Activities:

Some of the key initiatives and activities undertaken by Startup India for building the Startup ecosystem in various states / UTs of the country:

2.1.1 ASCEND

Startup Workshops have been organized by Startup India in all **8 north-eastern States** in collaboration with the State Govts to bridge knowledge gaps of entrepreneurs in the region. Extensive capacity building was conducted for the Startups in the region to introduce them to Startup India and the support offered by the States, along with sessions on topics such as incorporation of a company, fundraising, translating idea into sustainable business, amongst others.

2.1.2 Himachal Pradesh

The Himachal Pradesh government expressed the desire to create a venture fund for its Startups. Recognizing that Himachal Pradesh's Startup ecosystem primarily favors early-stage ventures, the Startup India team recommended the establishment of a seed fund. Subsequently, after thorough efforts in crafting the guidelines, the Himachal Pradesh seed fund scheme was officially notified on **October 20th October 2020**.

2.1.3 Ladakh

Startup India Team worked closely with the UT of Ladakh in setting up an incubation center in Ladakh. The team assisted the nodal team in designing the incubation space as well as in conceptualizing the support that is offered at the center. It is currently the only incubator in the UT of Ladakh.

2.1.4 Andaman and Nicobar Islands

Various States and UTs are supported on strategic inputs, such as conceptualizing meaningful initiatives for their Startup ecosystems and building robust day-to-day operational activities. With support from Startup India, the Andaman team executed a Startup bootcamp end-to-end on the basics of Intellectual Property Rights, benefits offered by Startup India and the UT government

2.1.5 Women Entrepreneur

Startup India is committed towards strengthening women entrepreneurship in India through initiatives, schemes, creation of enabling networks and communities and activating partnerships among diverse stakeholders in the Startup ecosystem. States / UTs of Andaman and Nicobar Islands, Andhra Pradesh, Assam, Bihar, Jammu and Kashmir, Odisha, Uttarakhand, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Maharashtra, Manipur, Nagaland, Puducherry, Punjab, Rajasthan, Tamil Nadu, Telangana, Dadra and Nagar Haveli and Daman and Diu, Tripura and Ladakh have dedicated Startup policies and initiatives for women.

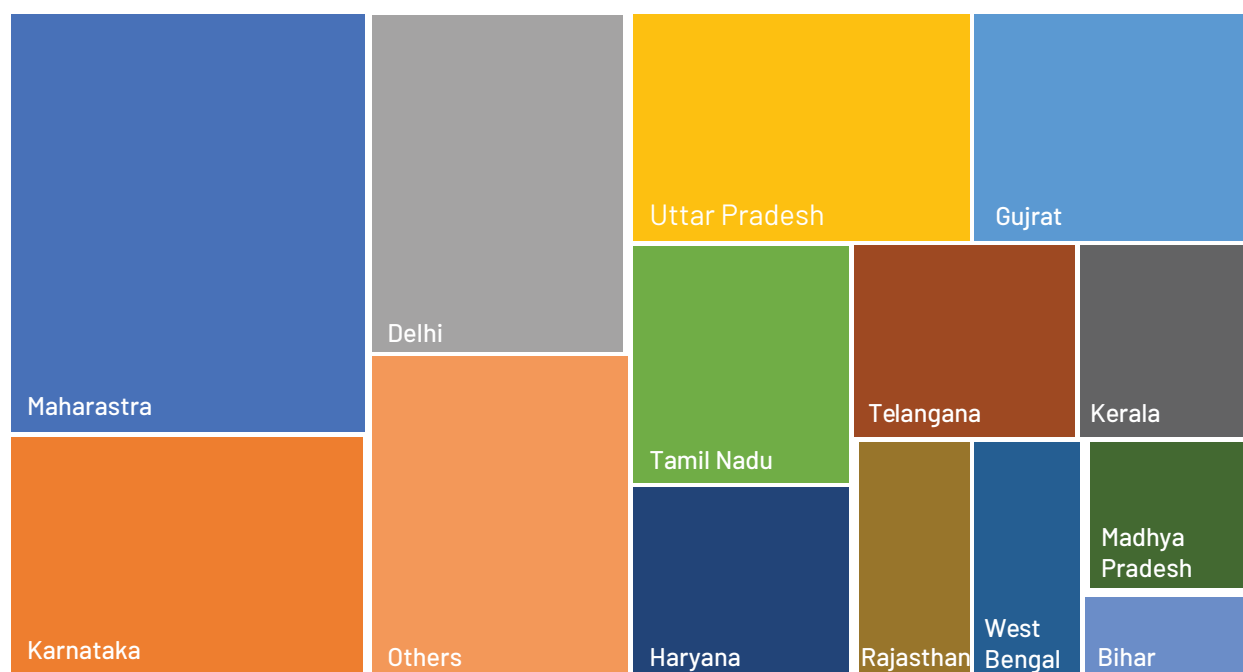


Chart 4 : Women Entrepreneurs by State/UT

2.2 A Deep Dive

2.2.1 Grassroot Innovation

Grassroot innovation refers to creative and practical solutions developed by individuals or communities at the grassroots level to address local challenges and improve their living conditions. These innovations often emerge from a deep understanding of local needs and resources and plays a crucial role in solving pressing issues across various sectors, including agriculture, healthcare, environment, and technology.

Grassroot innovations play a vital role in making India's Startup ecosystem comprehensive and inclusive. They drive local economic growth, particularly in less developed regions, harnessing a broad spectrum of ideas and solutions to tackle regional problems.

12 States/UTs have formulated policies and schemes to define covering incentives for Startups focusing on grassroots innovation. **13 States/UTs** have clearly defined what qualifies as grassroots innovation and rural impact. Some prominent case studies for Grassroot Innovation in states/UTs are as follows:

Gujarat

Grassroots Innovations Augmentation Network (**GIAN**) was setup by the Government of Gujarat, Society for Research and Initiatives for Sustainable Technologies and Institutions (**SRISTI**), and Indian Institute of Management Ahmedabad (**IIMA**). GIAN aims to scale up and spawn grassroots innovations and help the development of successful enterprises. It also provides innovators with adequate linkages to modern science and technology, market research, design institutions, and funding organizations.

Kerala

Kerala is recognized as one of the best states in India for Startups; the state has always supported the efforts of its people from the grassroots level to improve the pace of innovation. The Government of Kerala launched the "**Innovation Grant Scheme**" to help Startups and entrepreneurs turn their unique ideas into full-fledged businesses. This scheme has been implemented by the Kerala Startup Mission, the State government's focal body for Startup related activities and schemes.

Assam

Assam has supported **50+ Startups** working and solving problems at the grassroot level, creating a major rural impact. Innovations like the "Akash Ganga" water purifier, designed by a grassroots innovator, provide safe drinking water in remote areas. The state is also known for traditional weaving practices with innovations like the "Eri Silk Reeling Machine" which make silk production more efficient.

Himachal Pradesh

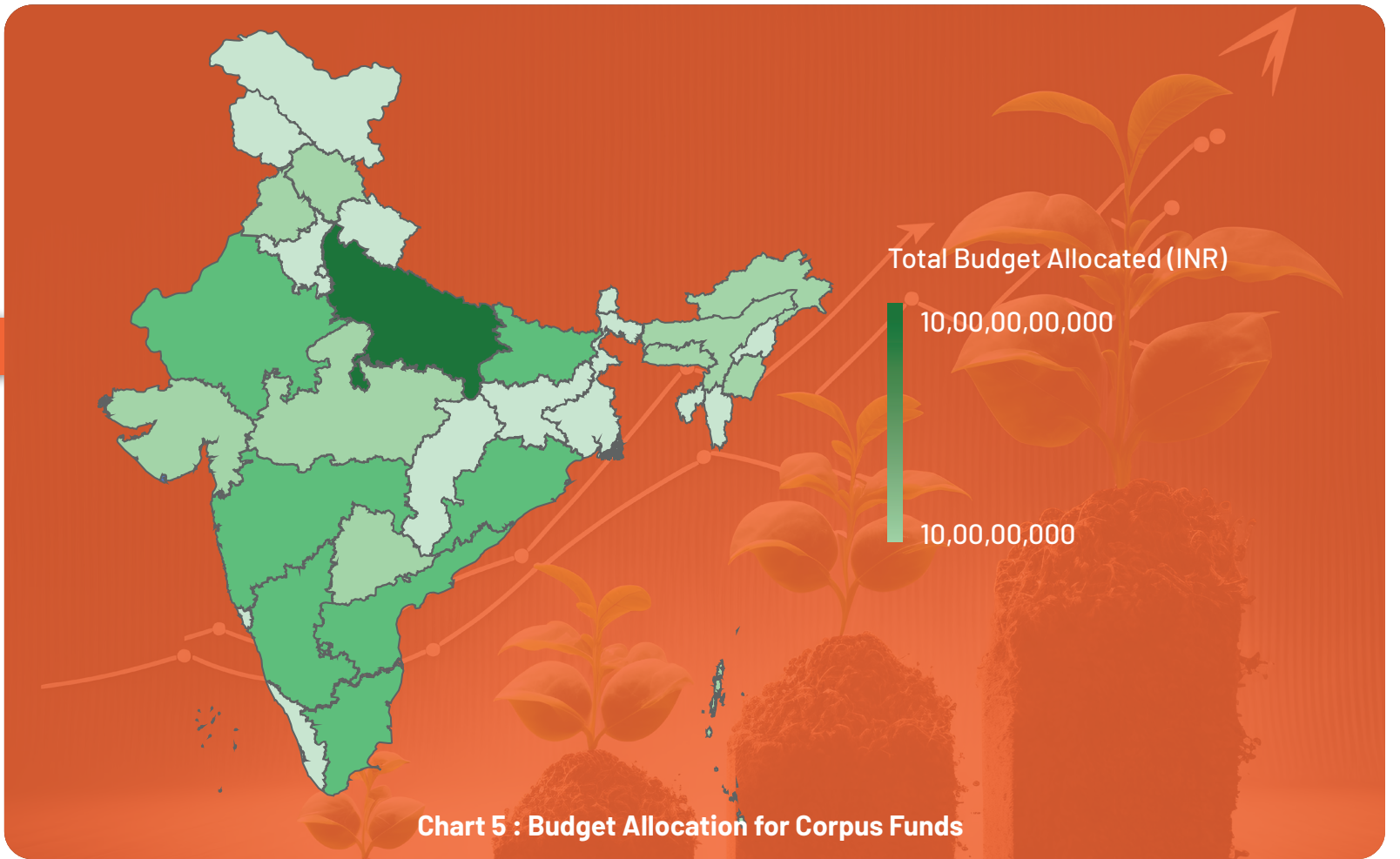
In Himachal Pradesh, innovations include the "Him Sagar Jal," a water harvesting, and distribution system has improved access to clean water in remote areas. The States' apple farmers have developed apple sorting and grading machines to enhance the quality of their produce. These examples illustrate the remarkable grassroot innovations that have emerged from various states in India. The innovators and their creations demonstrate the importance of nurturing innovation at the grassroot level to drive social and economic development in India.

State Startup Fiscal Assistance

States and UTs have established an ecosystem of fiscal incentives, grants, and funding in the form of seed capital for supporting Startups. As per the States' Startup Ranking 2022 submission data, the total fund allocation across 30 participating States / UTs was observed to be **INR 1500+ Cr**. Out of which, contribution of **INR 500+ Cr** was from 10+ new funds established by six states.

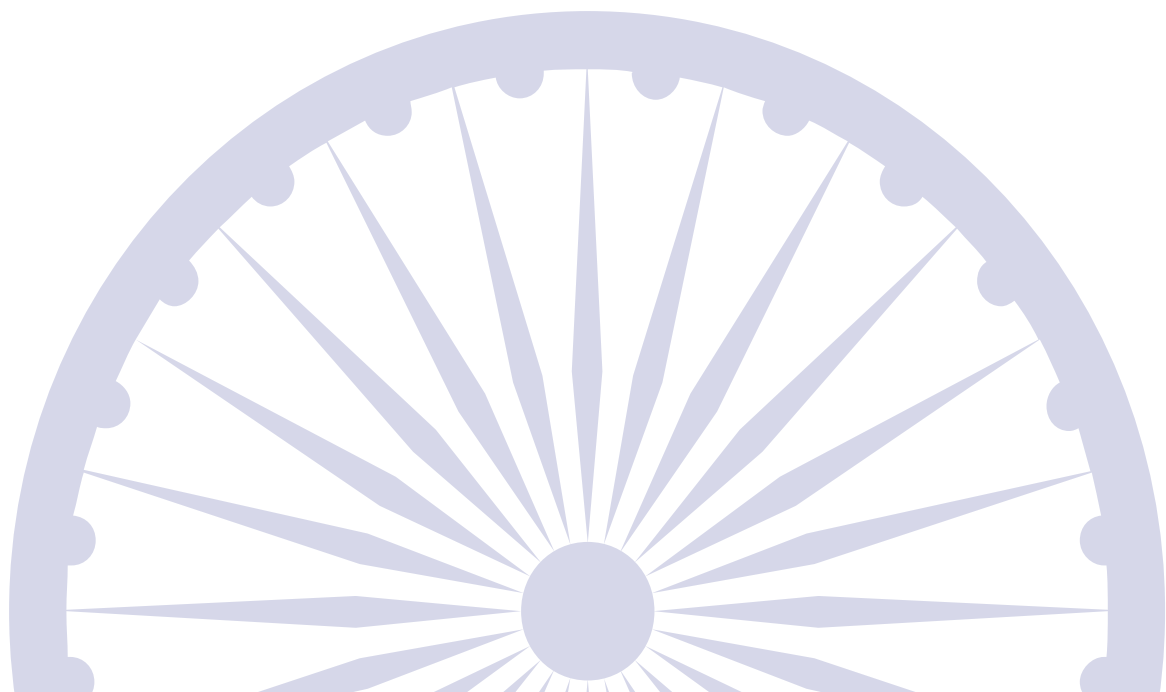
States' / UTs have provided Government Orders for funds towards the payment of Grant in aid salaries. States' / UTs have also signed MoUs like with that of the Small Industrial banks to launch funding of Startups with **more than 100 Cr** funding as the initial investment. The total amount of funds disbursed as per the SRF 2022 data is **more than 2500 Cr** to different Startups.





With continued collaboration between the states' / UTs and central government, aspects of cooperative and competitive federalism which are key to the Indian Startup economy, continue to be upheld for achieving India's next growth milestone.

One such initiative is the States' Startup Ranking, as a capacity building exercise, was conceptualised by DPIIT to track the evolution of policies for Startups and the overall efforts of states in ecosystem building. It aims to evaluate the Indian Startup landscape through the eyes of state policy intervention and identify state practices that accelerate ecosystem growth and development.



03

**ABOUT
STATES'
STARTUP
RANKING**



About the Ranking

The States' Startup Ranking Framework (SRF) is a periodic capacity building exercise created and released by the Department for Promotion of Industry and Internal Trade (DPIIT) that evaluates all of India's States and Union Territories on their efforts to build an ecosystem conducive to Startup growth. States' Startup Ranking was launched in February 2018 to achieve the vision of building a robust Startup ecosystem in the country. It aims to evaluate the Indian Startup landscape through the eyes of state policy intervention and identify state practices that accelerate ecosystem growth and development.

Taken in the true reflection of India in key aspects of cooperative and competitive federalism, the commencement of the SRF was a step towards the nation's commitment to "Sabka Sath, Sabka Vikas".

The States' Ranking has led each States and Union Territory to have dedicated Startup policies and through annual rankings, it tracks the evolution of these policies and the overall efforts of States / UTs in ecosystem building. The SRF accelerates efforts put in by the Center and States / UTs that are aimed to enliven the entrepreneurial mindset across the length and breadth of the country. Capacity building measures have been undertaken by the Startup India Team across States and Union Territories for ecosystem enablers and innovators in promoting economic growth by upholding the spirit of cooperative federalism.

The Framework has also introduced an effective Feedback Collection Mechanism from beneficiary Startups and incubators present across states and Union Territories to share their experience in handholding and support that they have received from respective governments.



3.1 Introduction to the States' Startup Ranking Exercise

States' Startup Ranking Framework is an ever-evolving tool launched in **February 2018**. Its objective is to augment the Startup ecosystem in the States and Union Territories (UTs) across the country by focusing on initiatives and policies undertaken in respective jurisdictions.

The Framework aims to identify relevant parameters to grade the Startup ecosystem of States and UTs. The evolving Framework actively explores additional facts focusing on areas of reform and action plans. Further, this exercise aims to facilitate the growth and prosperity of states and UTs by making them more conducive for Startups and entrepreneurial activities.



Access to SRF
2022

The framework assists states and UTs in assessing gaps and identifying areas for improvement. This further aids states in shaping policies and embarking on initiatives for the development of the entrepreneurial ecosystem.

These efforts aim to establish an environment favourable to innovators and job creators, streamline documentation procedures, and establish comprehensive structures that will serve as an interface between Startups and states as well as UTs.

3.2 Intent and Importance of Ranking

The fourth edition of the SRF is spread across seven broad reform areas, each of which has several action points. The SRF Exercise is a valuable tool for states and UTs to assess their progress in building a robust Startup ecosystem. Through this exercise, states and UTs can identify areas of improvement and expansion for their region to boost growth and development of Startup ecosystem.

The SRF exercise is a medium to showcase the best practices across different states and UTs and to encourage others to explore and adopt new ventures and areas of improvement and collaboration.



The prior editions of the exercise created benchmarks for achieving various impactful objectives, some of which are mentioned below:

01 Awareness

Raise awareness about Startup ecosystem among State/UTs



02 Competition

Promote competition among States and UTs to attract and retain Startups



03 Best Practices

Identify best practices in different States and UTs



04 Regulatory Environment

Improve the regulatory environment for Startups



05 Stakeholders

Provide a platform for stakeholders to engage with the government

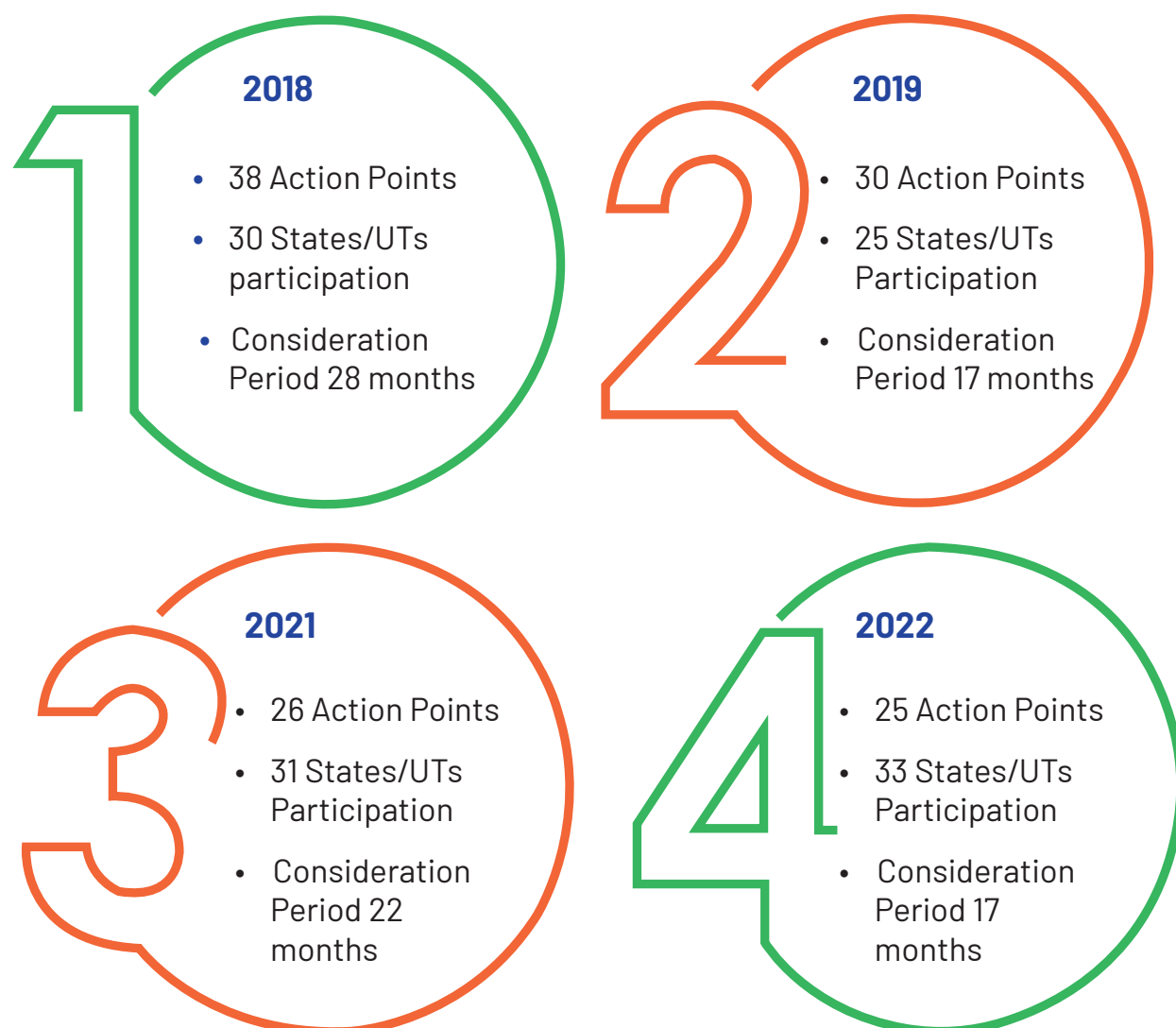


3.3 The Journey of the States' Ranking Exercise

The SRF has been instrumental in providing a roadmap to states and Union Territories on best practices, assessment criteria, and way forward to facilitate the implementation of action points since the past five years.

In 2018, SRF started with **38 Action Points** and has been consolidated to **25 Action Points in 2022**. The evaluation period also varied across different SRF exercises, with **28 months in 2018, 17 months in 2019, 22 months in 2021, and 17 months in 2022**.

The evaluation period for the SRF 2022 spans from 01st August 2021 to 31st December 2022.

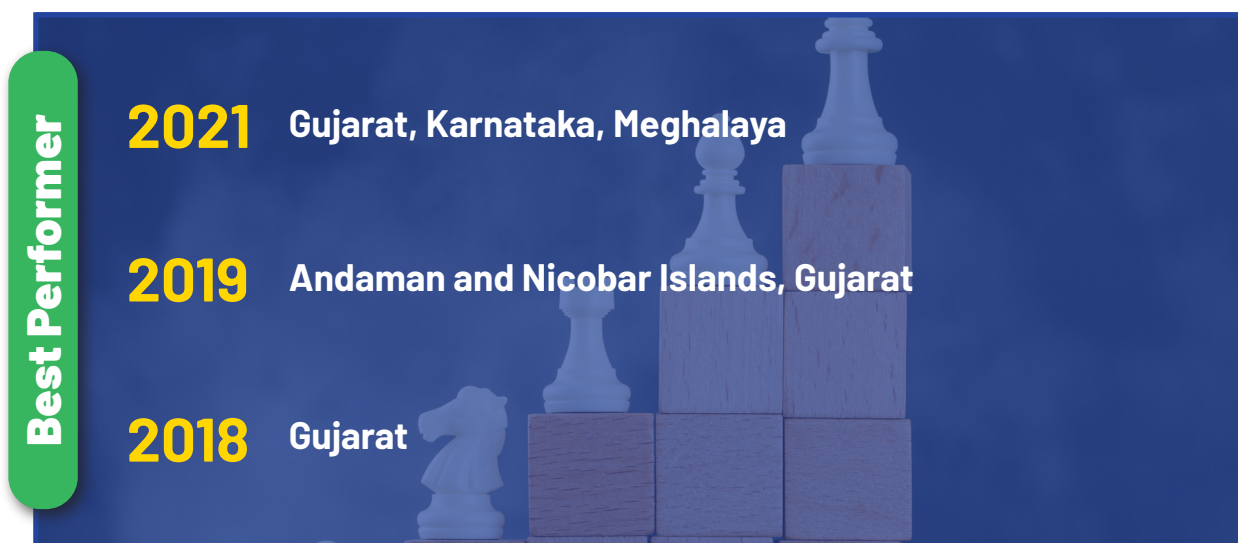


3.4 State/Union Territory Performance across three years

Based on the performance of the states and UTs in various Reform Areas, they have been categorized into five groups. The score of each state and UT has been converted into percentiles which show the relative performance of each state and UT compared to others. Those with similar percentile scores have been further categorized into one grading group. The five grading groups are explained below:

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

Gujarat has consistently held its position as a top performer from 2018 to 2021. In 2019, the Andaman and Nicobar Islands also joined this distinguished group of high achievers.



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

For the year **2018**, the top-performing states were Karnataka, Kerala, Odisha, and Rajasthan, while in **2019**, Karnataka and Kerala scored well on the board. In **2021**, Karnataka graduated to best performer and Kerala was joined by Maharashtra, Odisha, Telangana, and Jammu and Kashmir.



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

Leaders

- 2021** Assam, Punjab, Tamil Nadu, Uttar Pradesh, Uttarakhand, Arunachal Pradesh, Andaman and Nicobar Islands, Goa
- 2019** Bihar, Maharashtra, Odisha, Rajasthan, Chandigarh
- 2018** Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Telangana

Aspiring Leaders: 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.

Aspiring Leaders

- 2021** Delhi, Chhattisgarh, Madhya Pradesh, Rajasthan, Chandigarh, Dadra and Nagar Haveli and Daman and Diu, Himachal Pradesh, Manipur, Nagaland, Puducherry, Tripura
- 2019** Haryana, Jharkhand, Punjab, Telangana, Uttarakhand, Nagaland
- 2018** Haryana, Himachal Pradesh, Jharkhand, Uttar Pradesh, West Bengal



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



3.5 Improvement of Ranking

The State Startup Ranking Exercise aims to foster competition among states and UTs and encourage them to create a more favourable ecosystem for Startups. The participants are categorized based on the work done by them during the period of consideration of the exercise for encouraging and strengthening the Startup ecosystem within their respective jurisdictions. The categories are as follows:

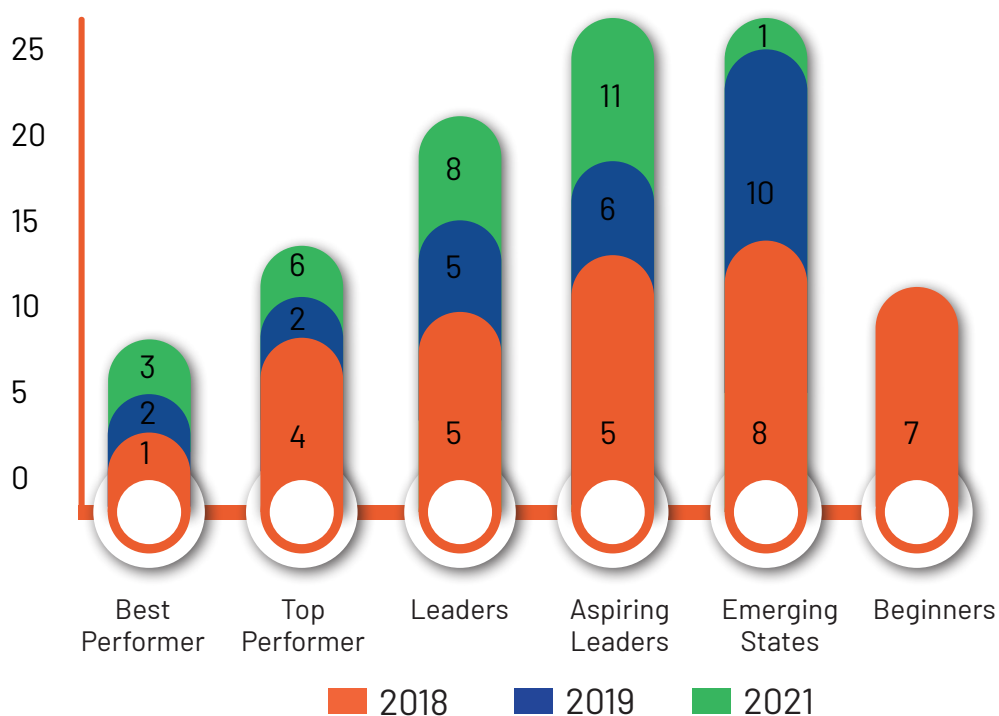


Chart 6 : State and UT performance in perior

Basis the previous year's assessment, we have analysed few general trends in the SRF participation by states/ UTs. Few interesting findings were as follows:

Institutional Support

State Startup portals have evolved into robust Startup hubs based on the guidelines in the framework



Support for Student Entrepreneurs

The Current edition has an additional Action Point focused on awareness programs in schools to support student entrepreneurs. This is a sign of acceptance of HEIs as a breeding ground for entrepreneurship and innovation



Sustainability and Social Impact

Aided by the framework, States and UTs have established the definition for grassroots and rural impact Startups



Inclusivity

Over the SRF exercises, the focus on women-led Startups has remained steady. A number of States and UTs have also defined women-led Startups. This year's exercise has brought focus to district coverage as an important measure of a mature Startup ecosystem



3.6 Validation of Ranking Basis Dynamic Parameters

India's Startup ecosystem has undergone remarkable growth in recent years, transforming the country into a global hub for innovation and entrepreneurship. The ecosystem has fuelled economic growth and socio-economic development.

3.6.1 Entrepreneurship Culture: Employment Generation

The Indian Startup ecosystem has been a significant driver of employment, creating diverse job opportunities across various sectors. In 2022, Indian Startups generated **2.7 L** jobs in the country, as compared to **2 L** in 2021 and **1.5 L** in 2020. These jobs span a wide range of skill levels and sectors, from technology and e-commerce to healthcare and agriculture.

According to the Economic Survey 2022-23, **9 L+ direct jobs** have been created by DPIIT-recognized Startups (self-reported), with a notable **64%** increase in 2022 over the average number of new jobs created in the last three years.

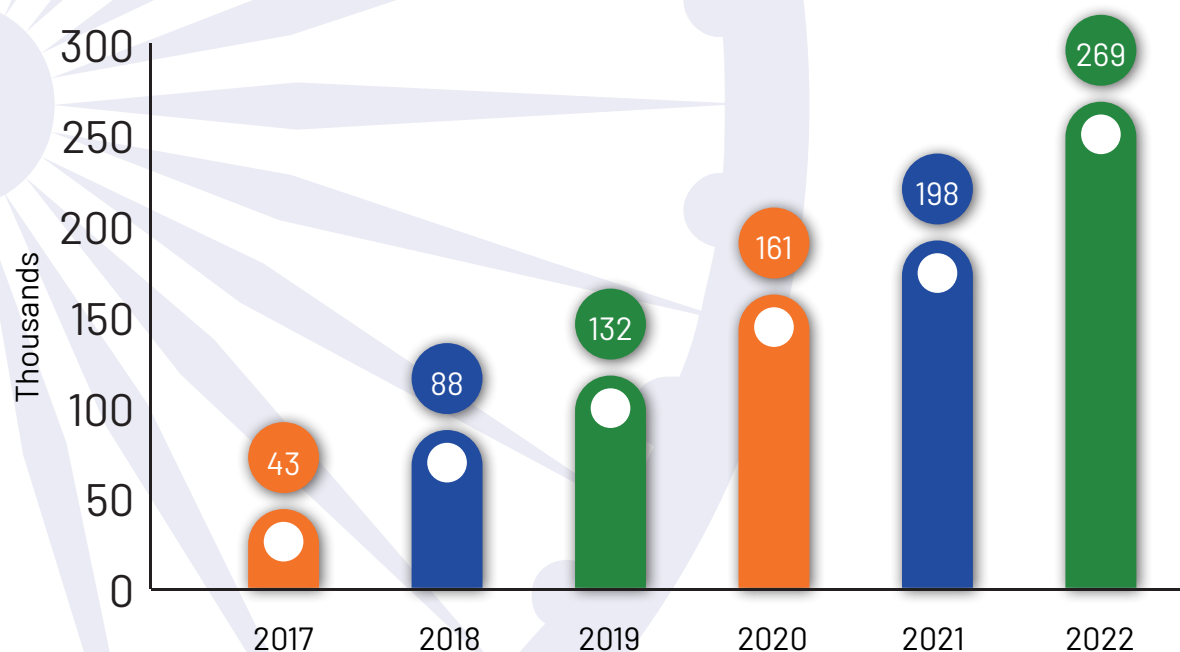


Chart 7: Employment Generation by Startups

The Startup ecosystem cultivates essential entrepreneurial skills such as creativity, adaptability, risk management, leadership, resilience, networking, sales, financial literacy, customer focus, and time management.

²⁹<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1945152>

Employees learn to innovate, handle challenges, build relationships, manage finances, and prioritize tasks. These skills, developed through hands-on experience, empower individuals to thrive in dynamic, fast-paced environments, make them invaluable assets in the entrepreneurial world and beyond.

3.6.2 Inclusivity: Rural Development, Women and Tribal Entrepreneurs

The Startup ecosystem has played a crucial role in driving rural development by harnessing technology and innovation to address pressing challenges and creating opportunities. Startups in agriculture and rural-focused sectors are working to improve the livelihoods of people in rural areas. They provide technology-driven solutions to address agricultural challenges, access, and employment opportunities.

Entrepreneurs in rural areas often face unique challenges, including limited resources and infrastructure. However, supportive government initiatives, access to microfinance, and community collaboration empower these Startups. By addressing local needs, these ventures contribute significantly to rural development, job creation, and sustainable growth.

3.6.3 Innovation and Technology Enhancement and Skill Development

The Startup ecosystem offers a dynamic environment where individuals are encouraged to develop a wide range of skills, fostering a culture of continuous learning and adaptability. Initiatives such as **Skill India** and **Digital India** are training India's enormous talent pool of young people in job-ready skills.

In India's smart manufacturing sector, Startups have become important drivers of innovation and technology uptake. Engineers, technicians, and entrepreneurs with the knowledge and experience to create and implement smart manufacturing solutions are found in significant numbers in India. The businesses specializing in the development and delivery of innovative technologies like the Internet of Things (IoT), artificial intelligence (AI), robotics, and data analytics has benefited from this skill pool.

With the evolution of States' Startup Ranking Framework across years shows the support to states and union territories in developing their Startup ecosystem and learn from the best practices in each state and union territory. Moving with each edition there are some states which are declared as the top performers and leaders of the Startup ecosystem while some are still the aspiring leaders having and emerging Startups ecosystem of future.

In SRF 2022, the emphasis will be too onboard and register more Startups and diversity the ecosystem to circular economy, sustainability and diverse sectors while reaching to districts across the states/ union territories.



04

**STATES' STARTUP
RANKING
EXERCISE 2022:
OVERVIEW**



The SRF 2022 offers best practices, assessment measures, and guidance to support the execution of action items. The consideration period for the SRF 2022 was from 01st August 2021 to 31st December 2022, during which, the compliance and progress on action items were considered for the evaluation process.

As per SRF 2022, States / UTs were evaluated based on 25 Action Points across seven Reform Areas. These Reform Areas were able to capture the essential pillars for development of the Startup ecosystem. In the 2022 Exercise, a novel component of sustainability has been integrated into the framework.

GLIMPSE OF STATES' STARTUP RANKING FRAMEWORK

Reform Areas from States' Startup Ranking 2022



4.1 SRF - A JOURNEY OF COLLABORATION & COOPERATION

Startup India undertakes multiple activities for the effective implementation of the Ranking Exercise. For the 4th edition, these included drafting of the framework, capacity building workshops for states and UTs, development of the submission portal and so on. The process of SRF 2022 is explained below:

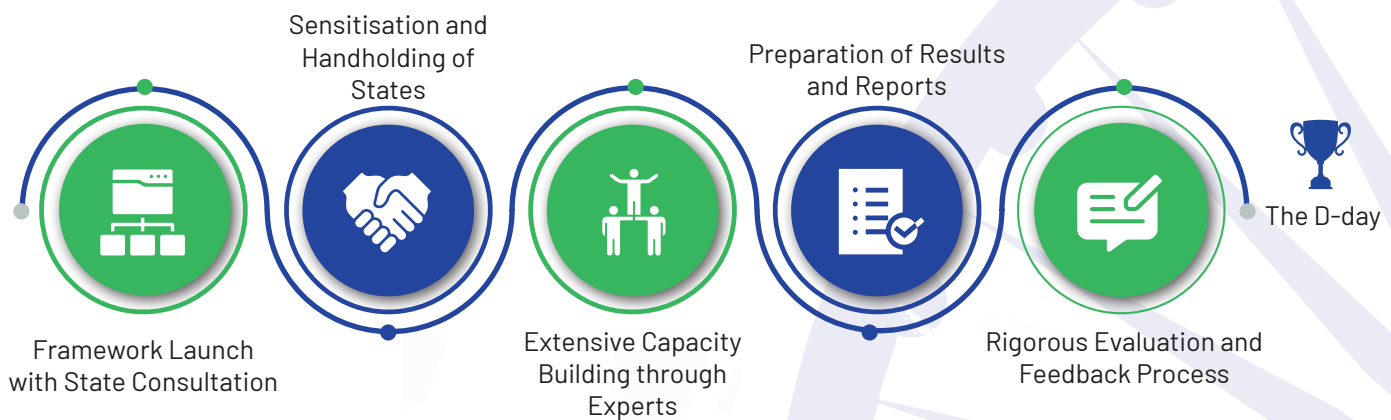


Figure 5: SRF Process Flow



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



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



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.



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.



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.

4.2 Capacity Building

Capacity Building of States / UTs has been undertaken in various ways through during States' Startup Ranking Exercise.

National Capacity Building Workshops

As a capacity development initiative, DPIIT organised knowledge exchange workshops for dissemination of good practices and mutual learning among States / UTs. Three separate knowledge exchange workshops were organised in Telangana, Rajasthan and Meghalaya which saw participation of more than **150 officials** and ecosystem stakeholders. The workshops offered an opportunity for participating States / UTs to interact with each other, exchange best practices and interact with leading Startups, investors as well as incubators.

The first four editions of the States' Startup Ranking Exercise have provided valuable insights into the scale and scope of State-driven initiatives and enabled mutual learning amongst ecosystem stakeholders for the comprehensive development of the Startup ecosystem of the country.

1. Knowledge Exchange and Capacity Building Workshop - Telangana

The Startup India team in collaboration hosted a comprehensive two-day Knowledge Exchange Workshop, featuring **12 distinct sessions**. This noteworthy event saw participation from **11 different states**, members of the DPIIT team, and esteemed speakers from various domains. A series of engaging sessions delved into a wide range of pertinent subjects, such as Startup India initiatives, the path to a sustainable future, and the establishment of a robust and innovative infrastructure to nurture budding entrepreneurs, etc.

Dedicated discussions were conducted by senior officials from DPIIT and Startup India Team on the importance of Startup recognitions under Startup India, participation in the SRF Exercise and creating awareness of a systematic framework among all states. Additionally, the Telangana workshop also saw incubation visits to state of the art incubation facilities like that of **T-WORKS, WE Hub, RICH, TSIC, Ag-Hub and LVPEI**.

The workshop also fostered dialogues on grassroots innovation, the crucial role of entrepreneurship in education, and the significance of public procurement in the context of Startups. The event culminated on a high note, underlining the successful exchange of ideas and experiences among states.



Figure 6 : Knowledge Exchange and Capacity Building Workshop - Telangana

2. Knowledge Exchange and Capacity Building Workshop – Rajasthan

The Startup India team organized the second Knowledge Sharing Workshop in Rajasthan. The workshop commenced with a session on the journey through the evolution of the Startup ecosystem. The program featured engaging panel discussions that explored vital themes such as promotion of sustainability through Startups, commercialisation of ground-breaking technologies, and creation of opportunities for women entrepreneurs, among other topics.



Figure 7 : Knowledge Exchange and Capacity Building Workshop – Rajasthan

Senior government stakeholders both from centre and state such as Commissioner and Joint Secretary, Rajasthan, Deputy Secretary, DPIIT, and senior officials from Jammu & Kashmir, Meghalaya, Telangana, Madhya Pradesh, Odisha, Tripura etc. engaged and participated in this collaborative workshop. Apart from this, field visits to incubators and innovation hubs like Bhamasha Techno-Hub and Data Centre and Centre for Advance technology and conversations with Startups fuelled prospects of further development and opportunities by all present states and UT officials. This also laid emphasis on imparting, sharing and implementation of best practices to further the country's Startup ecosystem.

3. Knowledge Exchange and Capacity Building Workshop - Meghalaya

The third workshop, held in Meghalaya, witnessed the active participation of representatives from **16 states**. The program delved into a series of engaging panel discussions focusing on critical themes such as the promotion of women entrepreneurs, the pivotal role of government support in nurturing the state's Startup ecosystem, and the journey of an entrepreneur. These discussions were spearheaded by ecosystem leaders from organization such as PRIME Startup Hub, DERBI Foundation, Indian Institute of Entrepreneurship, and Weneurs Forum. Important aspects of adopting smart technology and inclusion of rural and micro Startups, furthering new age schemes like the Production Linked Incentive (PLI) and increasing women participation from Tier 2 and Tier 3 cities in the growth of the ecosystem were outlined and highlighted.

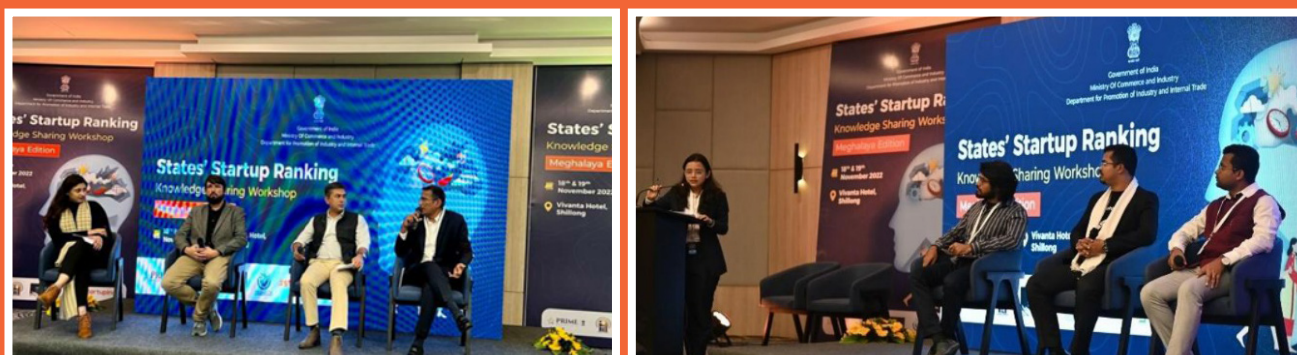


Figure 8 : Knowledge Exchange and Capacity Building Workshop - Meghalaya

International Workshops

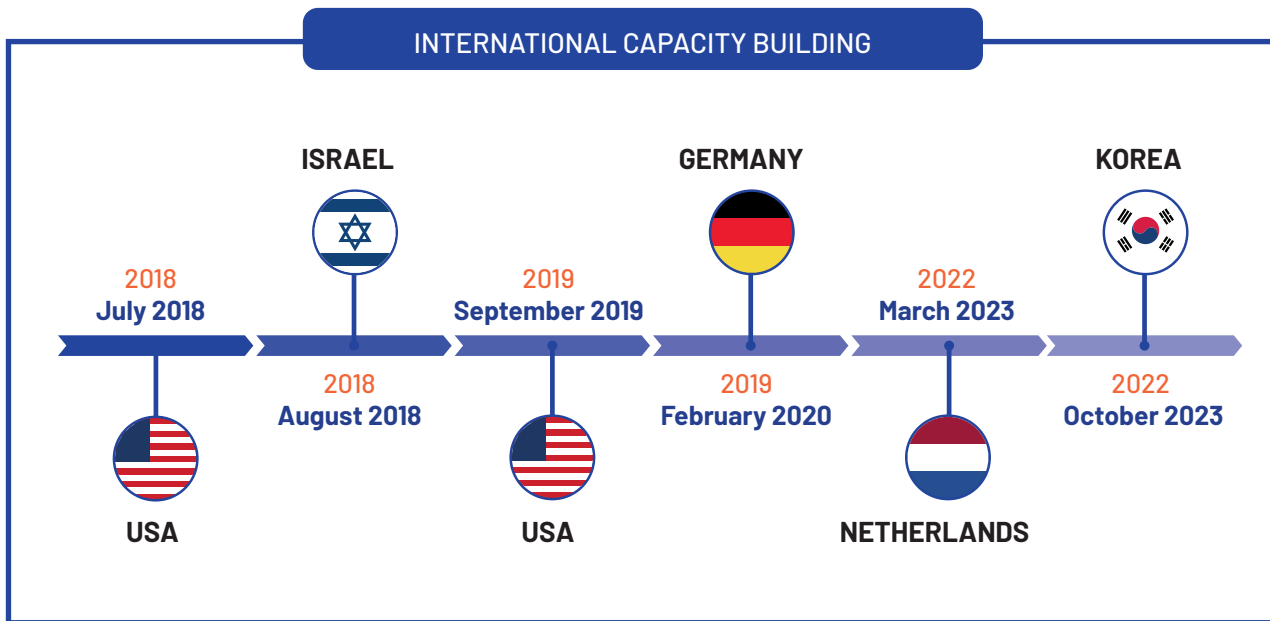
The aim of International Capacity Building Programmes is to provide exposure to the global ecosystem in different aspects of the Startup ecosystem such as institutional and regulatory support, seed and venture funding, incubation capacity building and mentorship support as well as active initiatives to drive circular economy and sustainable development.

The programme intended to achieve the following outcomes:

- Learning from best practices followed globally and the exchange of ideas at a global level
- Building an institutional mechanism for Startups
- Learning best practices on fostering innovation and entrepreneurship
- Channelising incubation and mentorship support
- Choosing the right mechanisms for funding support and for providing effective market access opportunities

The States / UTs were selected based on the rankings of previous editions. The results encompasses five categories including Best Performers, Top Performers, Leaders, Aspiring Leaders, and Emerging Startup Ecosystems. States / UTs that fall within the categories of Leaders and Aspiring Leaders representing the third and fourth tiers of performance were selected, where the international capacity building initiatives would have the most significant impact.





1. Knowledge Exchange and Capacity Building Workshop - Netherlands

Netherlands was identified for an exposure visit as it hosts one of the world's largest Startup ecosystems for technology professionals, entrepreneurs, tech influencers, domain experts, enterprise executives, venture capitalists, and educators.

The goal of the program was to provide exposure to the different aspects of the Startup ecosystem such as institutional support, funding, and incubation support as well as initiatives to drive sustainability.



Figure 9 : Knowledge Exchange and Capacity Building Workshop - Netherlands

2. Knowledge Exchange and Capacity Building Workshop – The Republic of Korea

DPIIT organised an international Startup ecosystem exposure visit to the Republic of Korea. The Republic of Korea was identified as it is one of Asia's and world's leading Startup ecosystem, with an array of eminent educational institutions, innovation hubs, investors, and corporates.

The aim of the workshop was to facilitate knowledge dissemination and foster productive discussions among stakeholders and the delegation, ensuring effective communication. The workshops encouraged learning and understanding of the Korean Startup ecosystem and culture. The focus was on enhancing cross-cultural collaboration and innovation across diverse sectors.

The workshops gave an impetus to key stakeholders including Startups, Small and Medium-sized Enterprises (SMEs) and Micro Enterprises (MEs), UNIDO and SME as well as Startup Agency for the expansion of Startup Ecosystem. Further, these workshops are aimed at strengthening the collaboration with Korean counterparts to explore diverse partnership opportunities, amplifying the scope for joint ventures and initiatives, benefiting Startup India and the Indian Startup ecosystem.



Figure 10 : Knowledge Exchange and Capacity Building Workshop – The Republic of Korea



4.3 Evaluation and Feedback Procedure

The evaluation of state/ UT submissions for SRF 2022 was categorised into Qualitative and Quantitative Assessment.

4.3.1 Quantitative Assessment: Submission of Documentary Evidence

Process of Scoring

1. All the States and UTs are required to submit documentary evidence basis the framework guidelines.
2. The evidence is then analyzed and accepted or rejected. All the documentary evidence

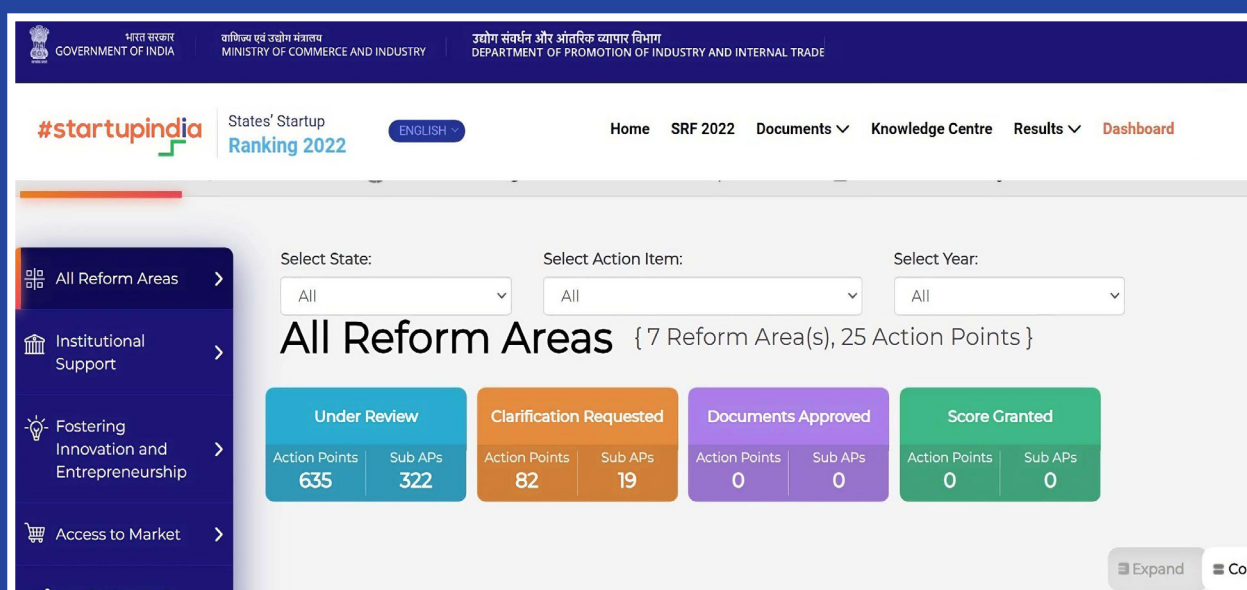


Figure 11 : SRF Submission Portal

Analysis of Documentary Evidence

The Startup India Team examined and evaluated all submitted documentary evidence by the states / UTs based on the SRF Guidelines. Post first round of evaluation, opportunity was given to participating states / UTs to resend documents wherever applicable .

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 organisations.

The Reform Area-wise evaluation analysis was vetted and approved by the ECs and subsequently finalised.

Scoring for Ranking

As per the framework, each action point was mapped to a particular scoring metric – either absolute scoring or relative scoring – depending on the aspects of the reform areas. Scores were awarded based on compliance of documentary evidence.

Combining the Overall Scores

1

Based on the scores from all the Action Points, overall scores for each State / UT were calculated.

2

Within each category, State / UTs were graded based on their relative performance into 3-5 grades.

3

The best-performing State / UTs were graded in each framework pillar to recognise their performance.

The entire assessment exercise took approximately six to eight months, two rounds of assessment and numerous EC meetings to finally arrive at a conclusive ranking.

4.3.2 Qualitative Assessment

A feedback exercise is an efficient way of establishing direct contact with several Startup ecosystem players. It assists the States and UTs in achieving their goals and helps bring the activities under the Action Point into a complete picture. Taking beneficiary feedback is necessary for **8 Action Points** in the framework for this year.

Collection of Beneficiary Feedback

A parallel exercise of feedback collection was conducted wherein the beneficiary data provided by States / UTs were collated across each applicable action point. The feedback collection mechanism was driven through an online and physical mechanism to ensure transparency in the feedback exercise.

The Feedback Exercise was an efficient way of establishing direct contact with several Startup ecosystem players. It assisted the States / UTs in achieving their goals and helped bring the activities under the Action Points into a complete picture.

Modes of Feedback Collection

The feedback is collected through two modes:

- 1. Telephonic Survey:** A survey was taken through telephonic means in case the respondent provides authentication and is comfortable with the same.
 - Details (including but not limited to Startup name, founder name, name of state) was verified by the respondent over the phone.
- 2. Online Questionnaire:** An online questionnaire was shared with all beneficiaries by Startup India through an OTP authentication mechanism.

Based on approved supporting documents and data from feedback exercise, all the participating States were grouped based on merit according to the weightage as per the framework.






4.4 SRF Knowledge Centre

Startup India maintains a knowledge Centre to provide a one-stop digital platform for the entire Startup ecosystem to enable knowledge exchange. The portal serves as a virtual incubator to Startups by providing them with access to information, knowledge, industry programs, Government schemes, and networking opportunities within the Startup community. The Department also aims to give an overview of the capacity building efforts being undertaken by Startup India across all the states / UTs.



Access
Knowledge
Centre

Key offerings of the knowledge centre are as follows:

 <p>Roadmap for States & UTs:</p> <p>Discover the resources & support available to states to build capacities at every level of administration.</p>	 <p>Ecosystem Enablers:</p> <p>Learn about measures taken by different states to support their Startups ecosystems & how they are supporting the enablers.</p>	 <p>Startups & Innovators:</p> <p>Gain knowledge on areas of support & resources provided by state government to Startups.</p>
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The chapter explained the various aspects and the detailed methodology of the States' Startup Ranking Exercise 2022, which aimed to assess the Startup ecosystems of different States / UTs of India. The varied processes from the inception of the Ranking Framework, consultation with relevant stakeholders, conducting capacity building workshops for the representatives of States / UTs to the process of collecting documentary evidence from the participating States / UTs, as well as conducting a feedback process with various stakeholders, and culminating into the declaration of results along with releasing of the reports and felicitation were elaborated upon.

In the coming chapters, the conclusive step of this entire Exercise would be delved into, the results for the current edition of States' Startup Ranking 2022.

05

**RESULTS:
STATES'
STARTUP
RANKING
EXERCISE
2022**

5.1 Overview of Participation

The Fourth edition of the States' Startup Ranking saw enthusiastic participation from States and UTs across India. In every edition of the ranking exercise, the number of participating States and UTs have shown an upward trend. A total of 33 States and UTs took part in the exercise this year which included **26 States and 7 UTs**. All **8 States** from the North-Eastern part of India participated in the exercise this year. States' Startup Ranking 2022 exercise assessed the States' / UTs' performance across **7 Reform Areas divided into 25 Action Points**.



Chart 8: States / UTs participating in States' Startup Ranking 2022

5.2 Performance Categorisation

Based on the performance of the States and UTs in various Reform Areas, they have been categorized into five groups. The score of each State and UT is converted into percentiles which shows the relative performance of each State and UT compared to others. States and UTs with similar percentile scores are then categorized into one grading group. The five grading groups are explained below.

BEST PERFORMERS (PERCENTILE: 90-100)

Best Performers are the leading States and UTs in the country with model State Startup ecosystems, setting a benchmark for other States to follow.

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 StartupS ECOSYSTEMS (PERCENTILE: UP TO 30) The States and UTs identified as the Emerging Startup Ecosystems are on the path of developing their Startup ecosystem.



5.3 Overview of Performance

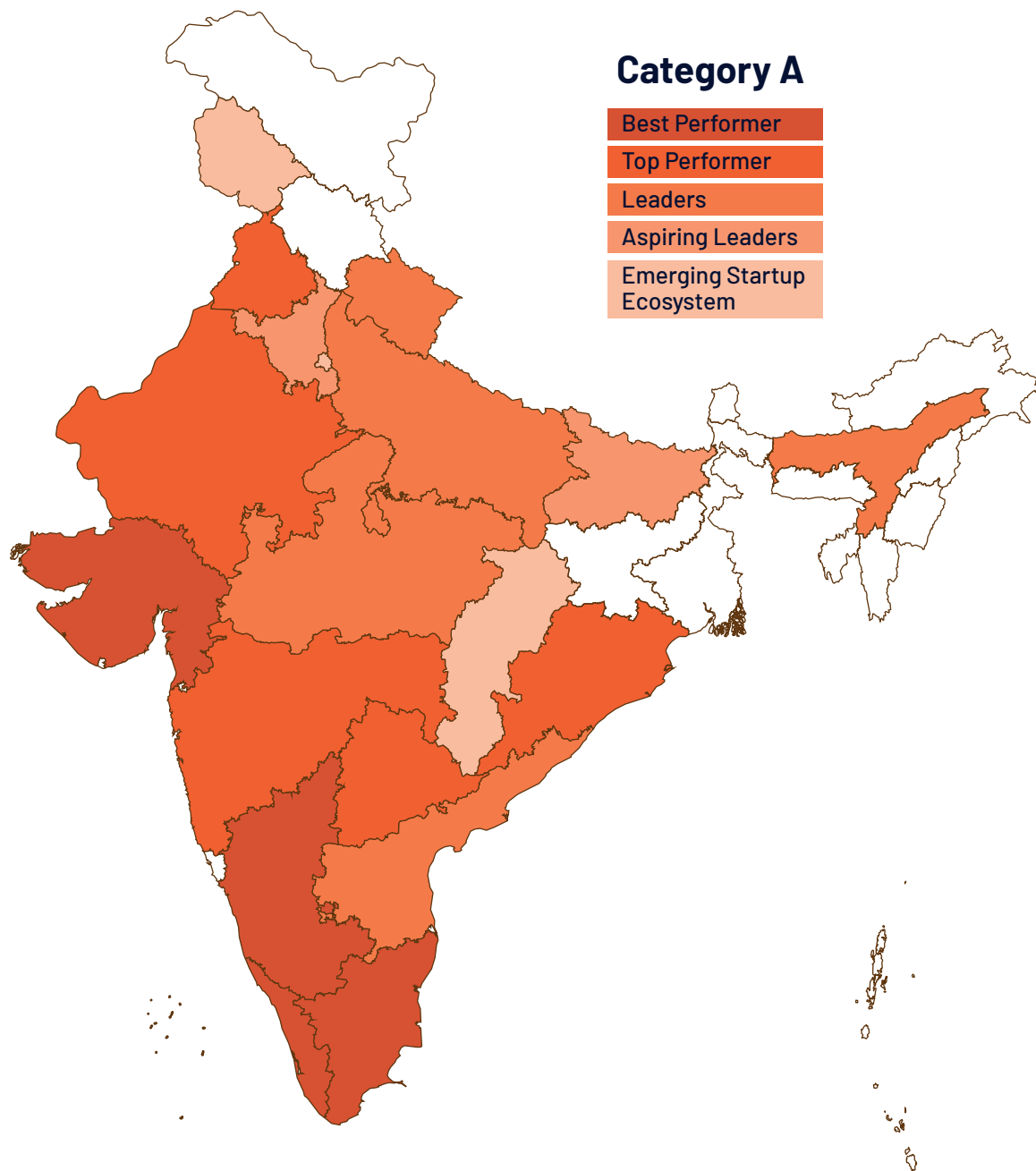
According to each States' and UTs' performance in the States' Startup Ranking 2022, Category A and Category B States and UTs have been grouped as shown below:

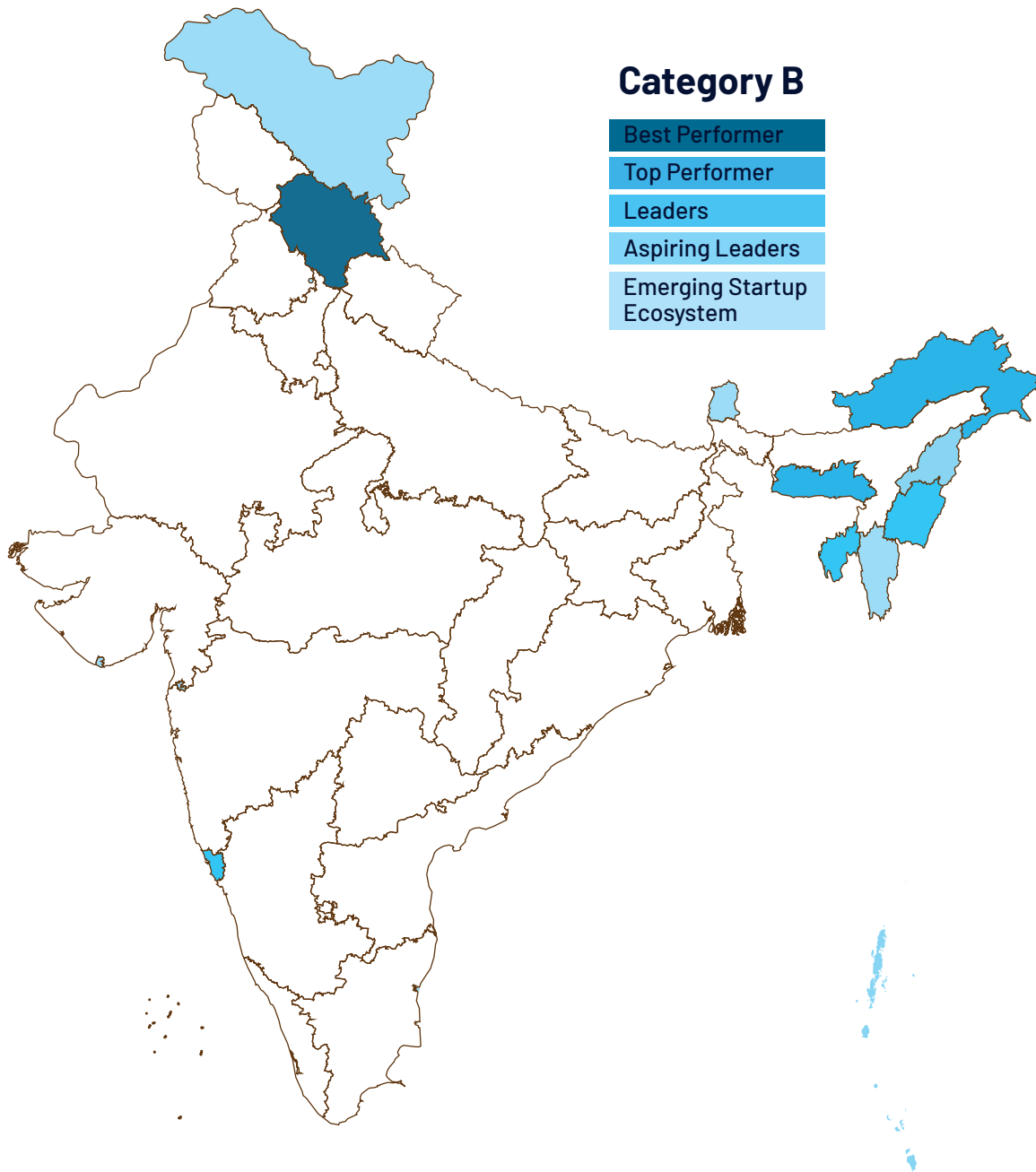


Figure 12 : Category Overview of Performance

Snapshot of Performance

The representation below provides a snapshot of the performance of States and UTs in the States' Startup Ranking 2022.





The background of the cover is a collage of business and technology-related images. It includes a world map in the upper left, a bar chart with green and blue bars in the upper right, a magnifying glass with a black handle focusing on a bar chart in the lower right, and a pencil lying diagonally across the center. The bottom left corner features a blue background with a network of white lines and glowing blue nodes, overlaid with a pattern of binary code (0s and 1s).

06

**REFORM
AREA-WISE
PERFORMANCE
ANALYSIS OF
STATES**

6. Reform Areas as per the SRF Framework

An ideal Startup ecosystem in India should be characterised by a supportive environment that encourages entrepreneurship, innovation, and growth. Here are some key elements, as per the SRF 2022, that aimed to contribute towards the growth of the ecosystem:



Institutional Support

Participating states and UTs developed Interactive Digital Portals to offer user friendly experience by providing content in national, regional and local languages, Chat Bot, Artificial Intelligence driven query management, and grievance redressal within a specific time frame, thereby facilitating policies, schemes, and incentives along with information of the nodal officers and nodal teams.



Fostering Innovation & Entrepreneurship

Through this pillar, states/UTs have aimed to revolutionise the landscape of innovation and business acumen through well-designed capacity development sessions, events focussing on ideation and innovation. Additionally, several schemes and incentives have been introduced to propel women-led Startups and students and youth of the country to "Startup".



Access to Market

To facilitate access to market opportunities for budding Startups, states / UTs have aimed at offering a streamlined procurement process, with easier norms related to turnover, and EMD submission requirements. The initiatives to include interactive stakeholder sessions that envision GeM workshops, Buyer-Seller Meets, Hackathons, Innovation Zones and many such platforms have enabled Startups to gain swift access to work orders through seamless funding.



Incubation and Mentorship Support

Paved way for states/UTs to bring a financial boon by establishing cutting-edge incubators in each district, uplifting the existing ones and supporting state-registered Startups, guiding them through a transformative journey of incubation, acceleration, and mentorship and helping universities and corporates across every district within the State/UT.



Funding Support

Enabled states/UTs to ensure that both early-stage and growing Startups have a plethora of pathways to financial empowerment by forming a dynamic institutional mechanism poised to shower Startups with invaluable financial support. This pillar aimed to ensure seamless connectivity to Startups with the world of private funds and ventures, creating a well-connected ecosystem of all relevant stakeholders.



Capacity Building of Enablers

Through the pillar of Capacity Building of Enablers, States/UT fostered an ecosystem of entrepreneurs, investors, and mentors seamlessly to brim with innovation, where meetups, conferences, and pitch competitions are serving as catalysts, forging partnerships and attracting potential investors. This will empower the forces that drive Startups – government, investors, incubators, and more.



Roadmap to Sustainable Future

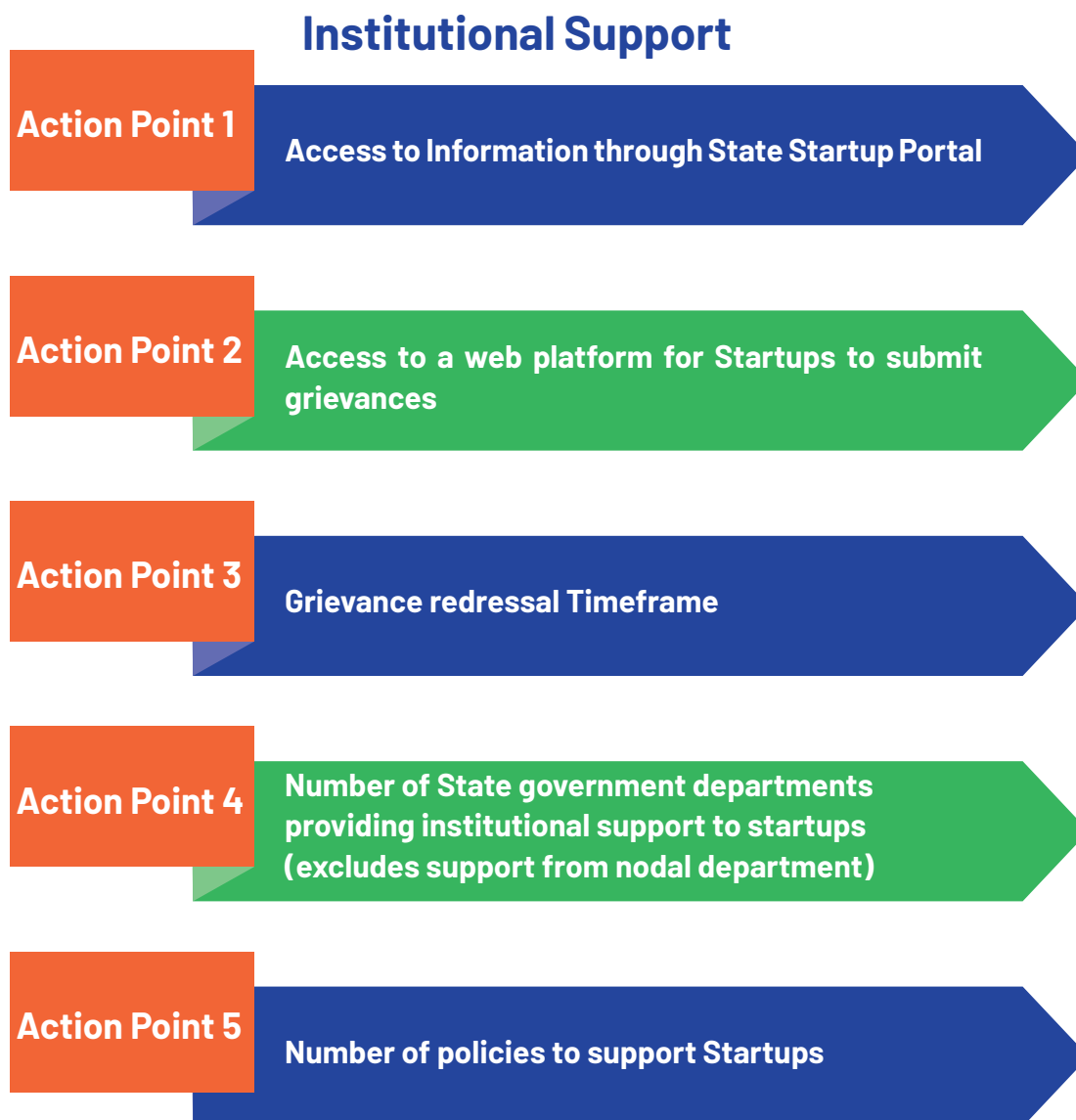
Through this pillar of reform which was introduced for the first time across SRF editions, states/UTs were provided with an impetus to establish a roadmap for Startups with rural Impact and those contributing to the circular money as a compass guiding them towards a greener and a more efficient future.

6.1 Reform Area 1: Institutional Support Overview

Institutional Support focuses on the facilitation and execution of the State/ UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders. This Reform Area focuses on paving way for easy access of information to Startups and ecosystem stakeholders.

Through this Reform Area, focus is on whether a particular State/ UT has a functional Startup portal offering single-window solutions for all Startup ecosystem stakeholders. A holistic Startup portal offers services ranging from Startup registration to an efficient grievance redressal mechanism having quick 30 days of query resolution. The Reform Area also emphasizes institutionalized support provided to the Startups from various State/ UT Government departments including that of government policies that are currently active for support to Startups.

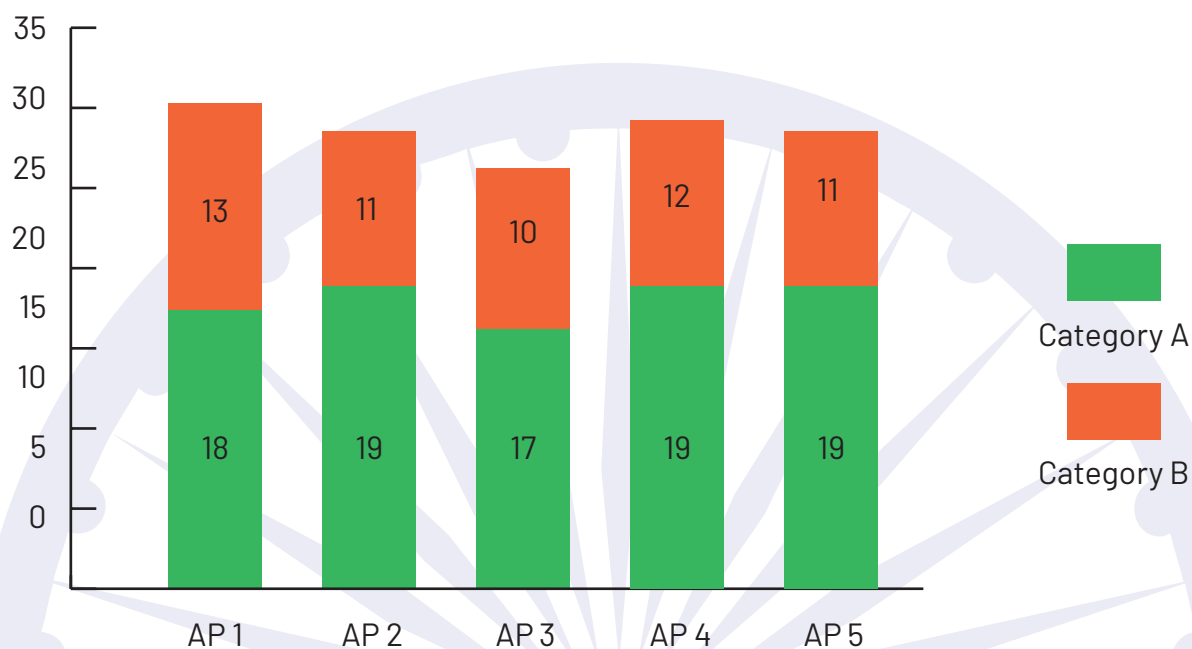
There are five Action Points for this Reform Area, all five of which are based on the documentary evidence provided by the States/ UTs.



Action Points of Institutional Support

6.1.1 Participation Summary

The Reform Area: Institutional Support received encouraging participation from the States / UTs. This representation is across five Action Points that aim to strengthen the Startup ecosystem across all the States / UTs in India.



Category-wise participation summary by States / UTs in all Action Points

Key Insights for each Action Point under Institutional Support

ACTION POINT 1: Access to Information through State Startup Portal

In this Action Point, 12 parameters have been highlighted in the framework, following which the key features of a Startup portal have been assessed. The parameters that a State Startup Portal must consider are:

1. State Startup Policy and details of all State level approvals and clearances required for registering and operating a Startup in the State
2. Details of State Nodal Officer, Nodal Department, and Dedicated team for Startups
3. Dedicated helpline or call center for Startups
4. Startup Registration, including API integration with Startup India
5. List of State-supported incubators and accelerators, including Incubation support available
6. Mentorship support available
7. Public procurement support available
8. Funding support available

9. Details of departments providing institutional support to Startups
10. Accessibility of all pages of the website in local/official language
11. Accessibility of website for Persons with Disabilities (PWD)
12. Section regarding marketing and outreach including events, webinars, mentorship sessions and others

A total of 18 States / UTs under category A and 13 States /UTs under category B have participated in this Action Point.

ACTION POINT 2: Access to a web-platform for Startups to submit grievances.

In this Action Point, the availability of a grievance redressal mechanism on the Startup portal was analysed for Startups to submit requests or grievances. A total of 19 States / UTs under category A and 11 States / UTs under category B have participated in this Action Point.

ACTION POINT 3: Grievance Redressal Timeframe

In this Action Point, the availability of an active tracking mechanism in a State / UT was checked for Startup query resolution. A total of 17 States / UTs under category A and 10 under category B have participated in this Action Point.

ACTION POINT 4: Number of State government departments providing institutional support to Startups (excludes support from nodal department)

In this Action Point, two separate parameters were checked for Category A and B separately, they are:

1. For category A States and UTs, number of Startups availing institutional support
2. For category B States and UTs, number of departments providing institutional support to Startups

A total of 19 States and UTs under category A and 12 States and UTs under category B have participated in this Action Point.

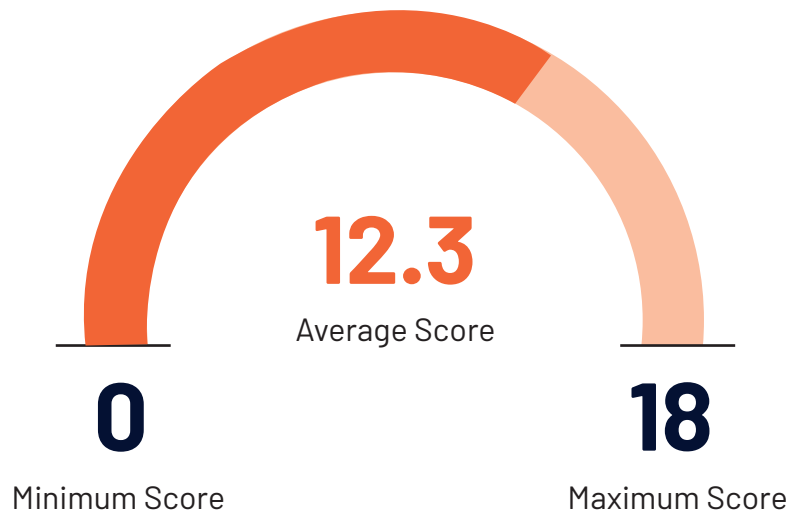
ACTION POINT 5: Number of policies to support Startups

In this Action Point, number of active State/UT's Government policies in the period of consideration to support Startups were assessed.

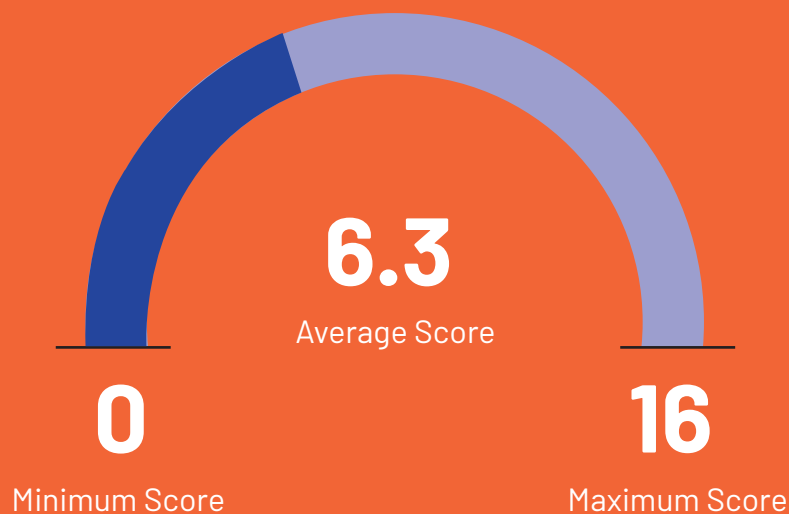
A total of 19 States / UTs under category A and 11 under category B have participated in this Action Point.

6.1.2 Analysis of Scores

The Reform Area on Institutional Support saw enthusiastic participation from the States/UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 12.3 for Category A States / UTs and 6.3 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 18 and for Category B States/ UTs to be 16.



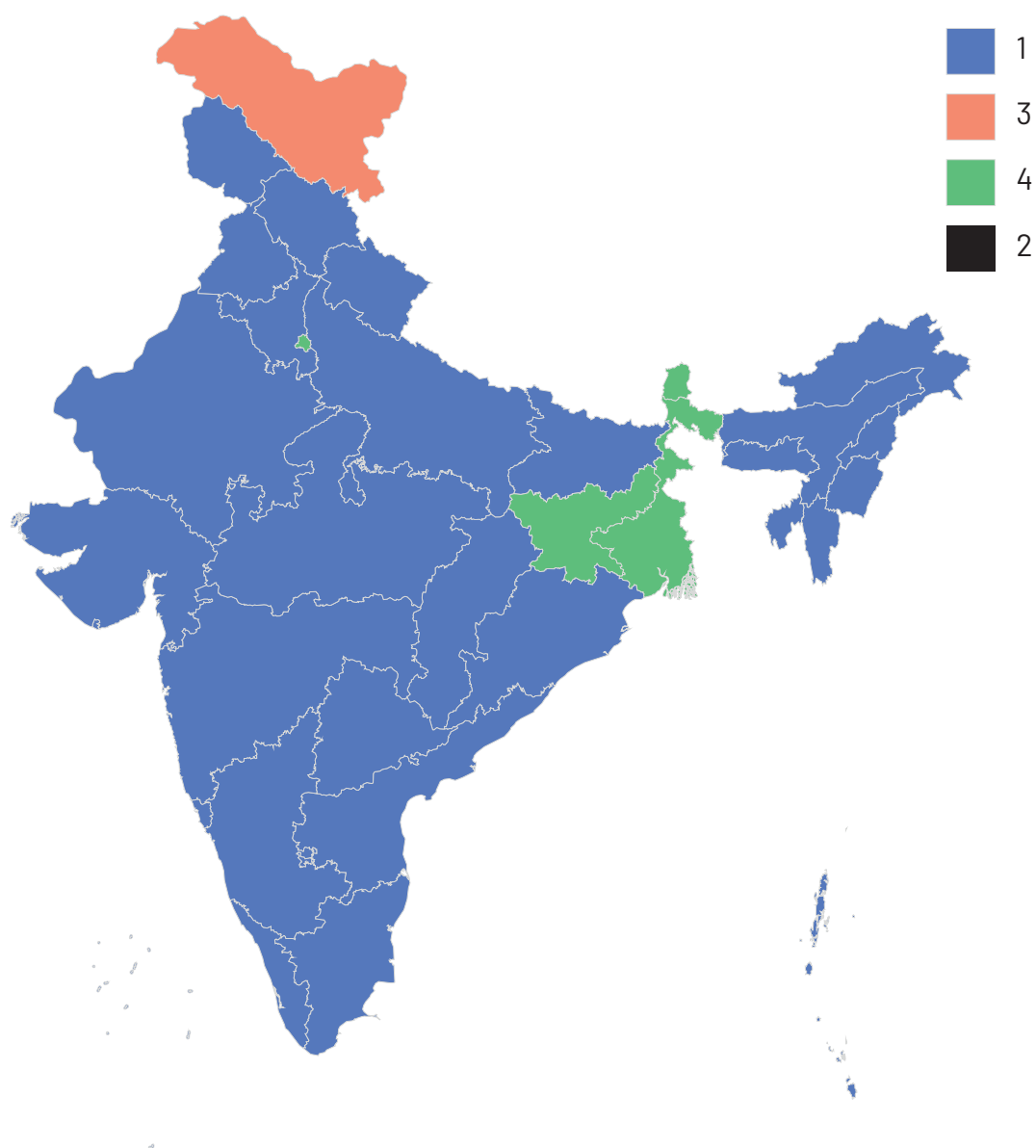
Category A - Analysis of Average score



Category B - Analysis of Average score

6.1.3 Action Point wise insights as per the Framework

As per the submissions by States / UTs, the active Startup portal and Startup Policy were mapped:

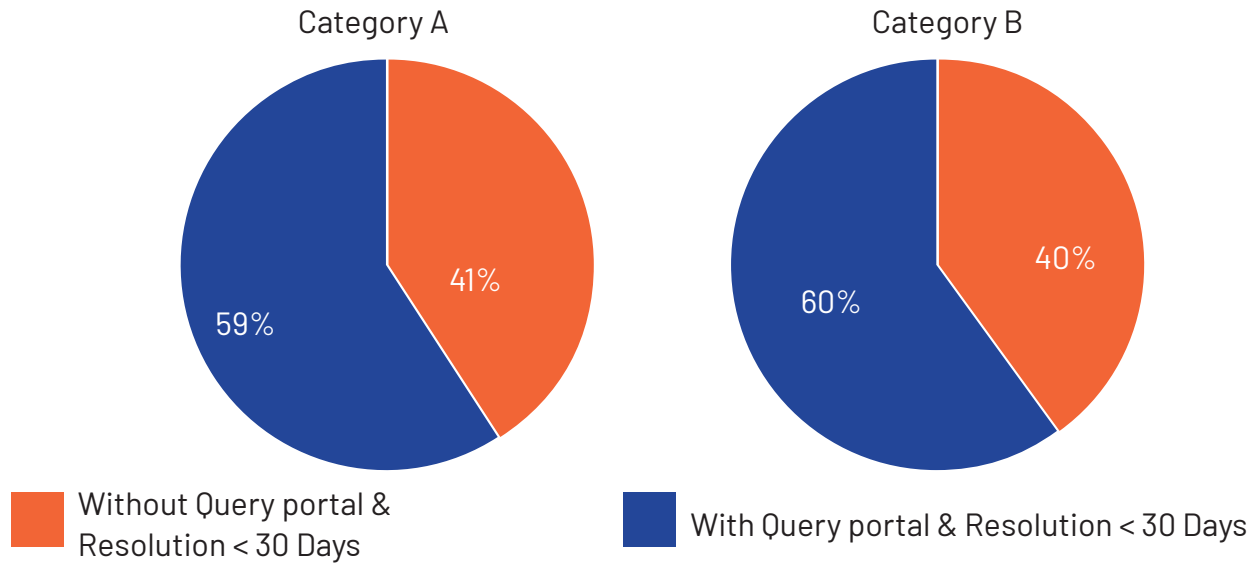


Availability of State/UT Startup Policy

1. State and UTs with Startup Policy and Startup Portal
2. State or UTs with only Startup Policy and no Startup Portal
3. State and UTs with no Startup Policy and no Startup Portal
4. State and UTs not participated

³⁰Disclaimer: The Reform area insights have been arrived on the basis of Submission of evidence and supporting documents provided by the participating State/ UTs for the duration 1 August 2021 to 31 December 2022.

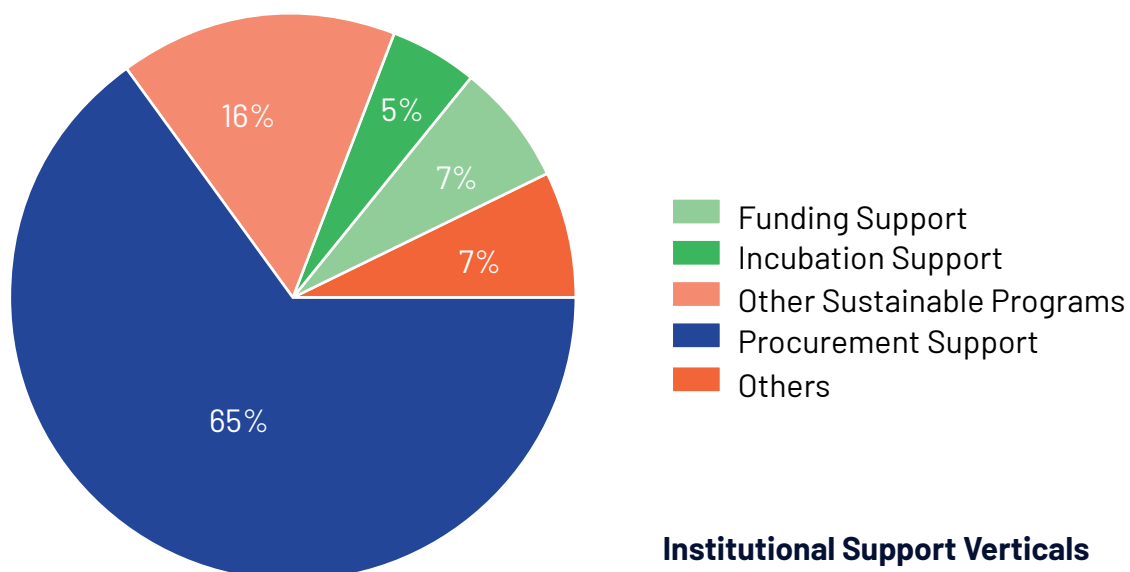
According to the submissions for Action Points 2 and 3, close to 60% of the participants of Category A and Category B States / UTs have query portals and their query resolution timeframe is less than 30 days.



Category A and B of States with/without Query Portal

Based on the number of Startups receiving institutional support from the State/ UT Government Departments or Institutions, the average number of departments have been mapped. On average, three State Departments have been observed to be offering institutional support to the Startups in Category A.

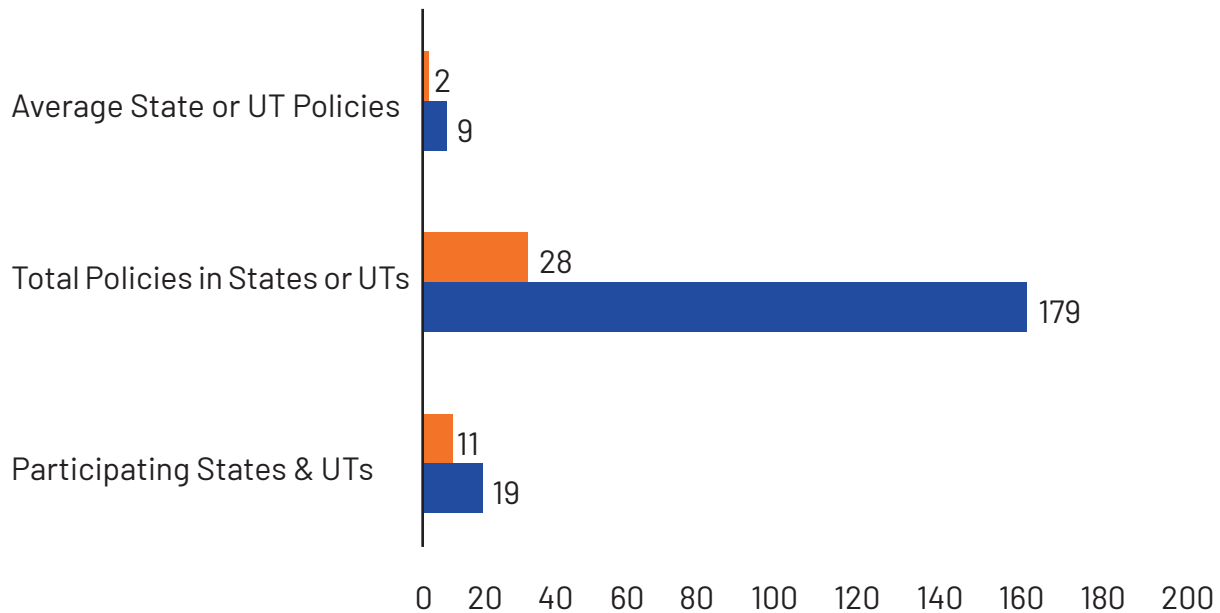
Under Action Point 4, focus is on State Government departments who are providing institutional support to Startups in the form of sustainable programs, hackathons, grand challenges, incubation support, funding support, venture funding, open data APIs and other sustainable programs. With SRF 2022 submissions, Hackathons followed by other sustainable programs have been the most common form of Institutional Support provided to the Startups by the State/UT institutions.



Institutional Support Verticals

The participating States / UTs in Action Point 5 provided details of active State / UT's policies that support (fiscal or non-fiscal) to Startups. It has been observed that, on average, the policies supporting Startups have an active duration of five years.

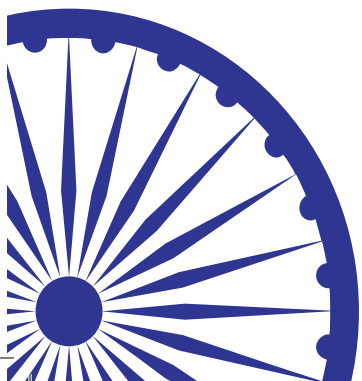
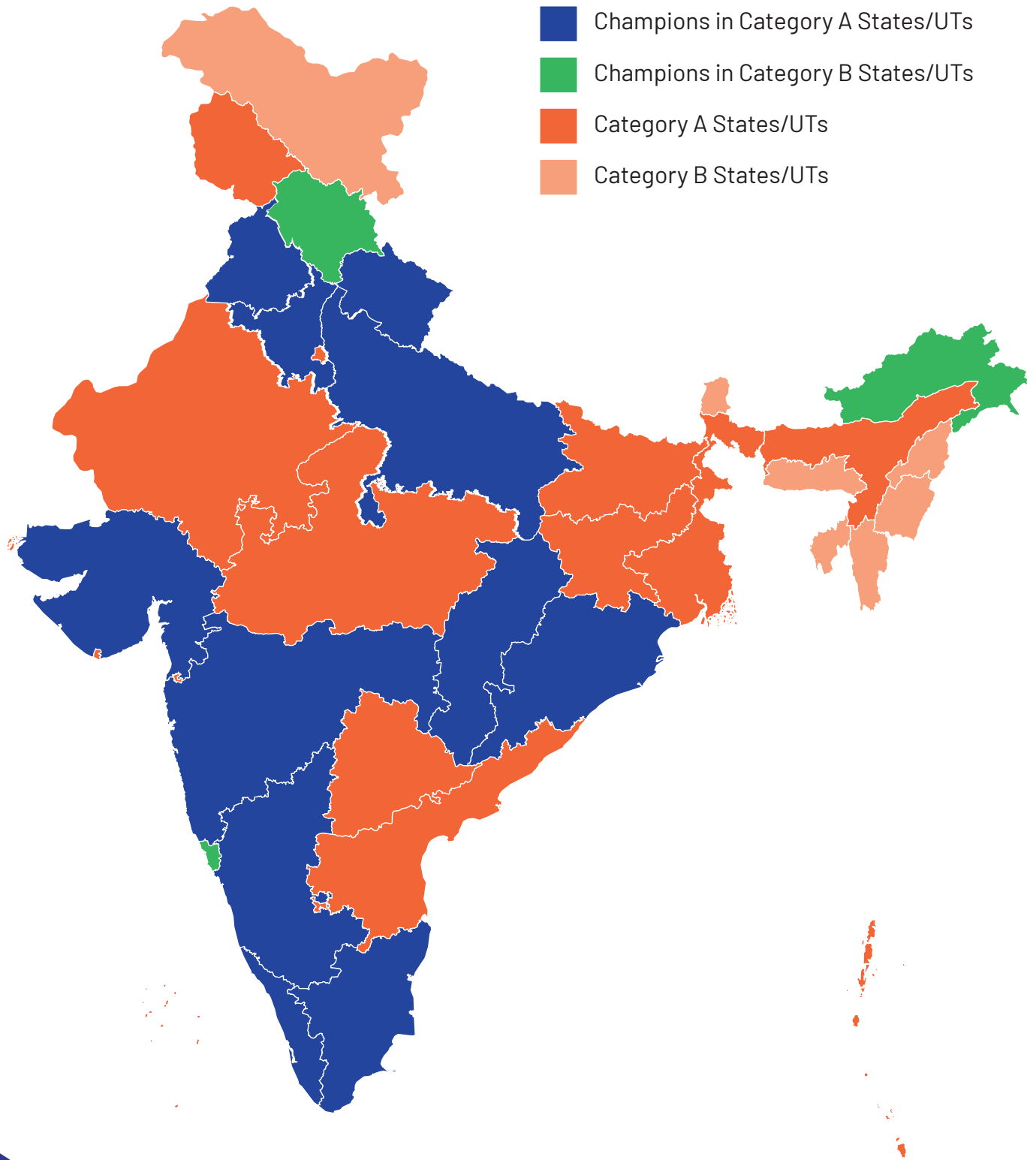
Among category B States / UTs, an average of two active policies supporting Startups was observed and while in category A States, the average number of active policies were nine.



Active State Policy to Support Startups

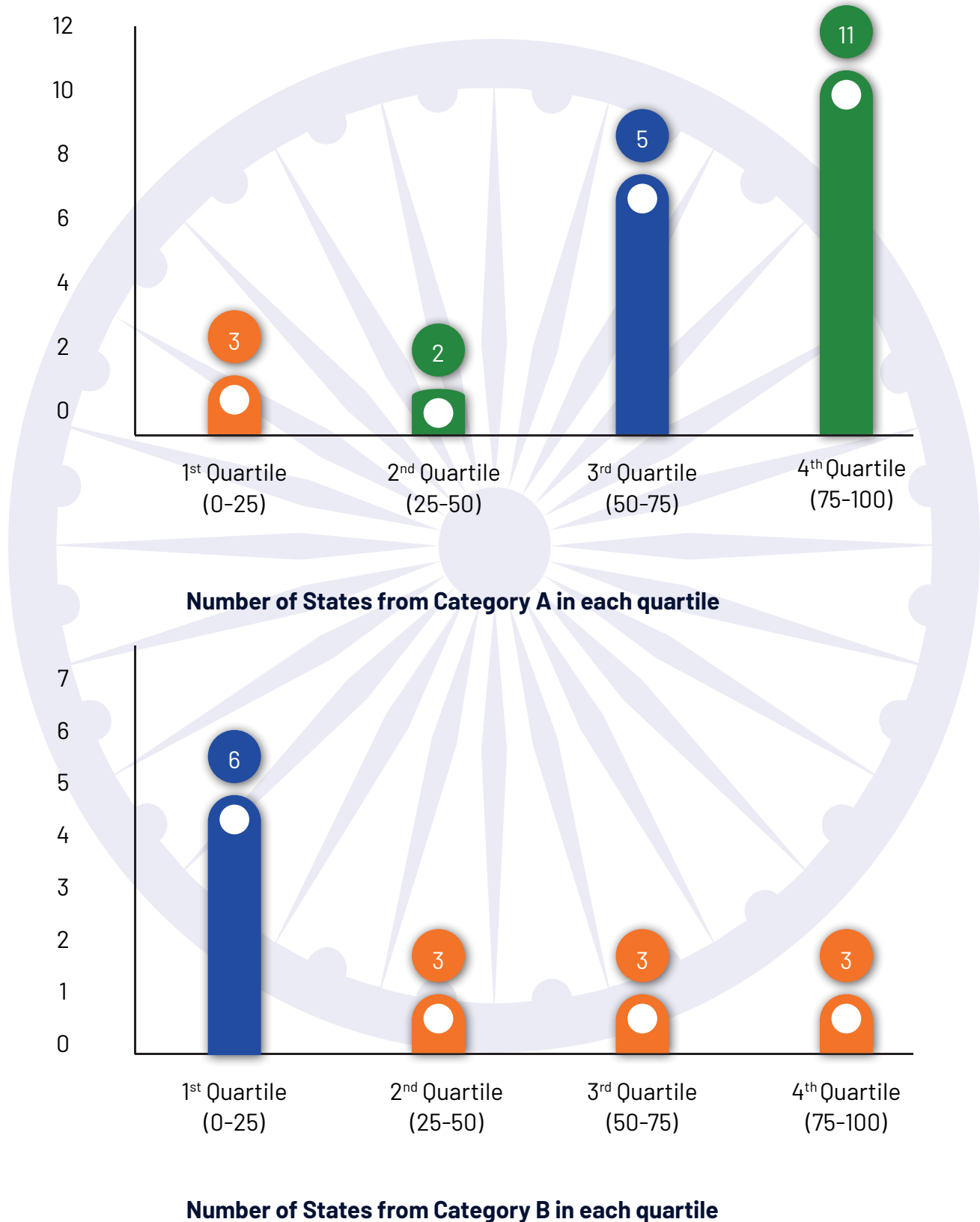


6.1.4 Champions of Institutional Support



6.1.5 Performance Summary of Institutional Support

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Institutional Support, the number of States/UTs in the respective quartiles have been represented below:



6.2 Reform Area 2: Fostering Innovation and Entrepreneurship

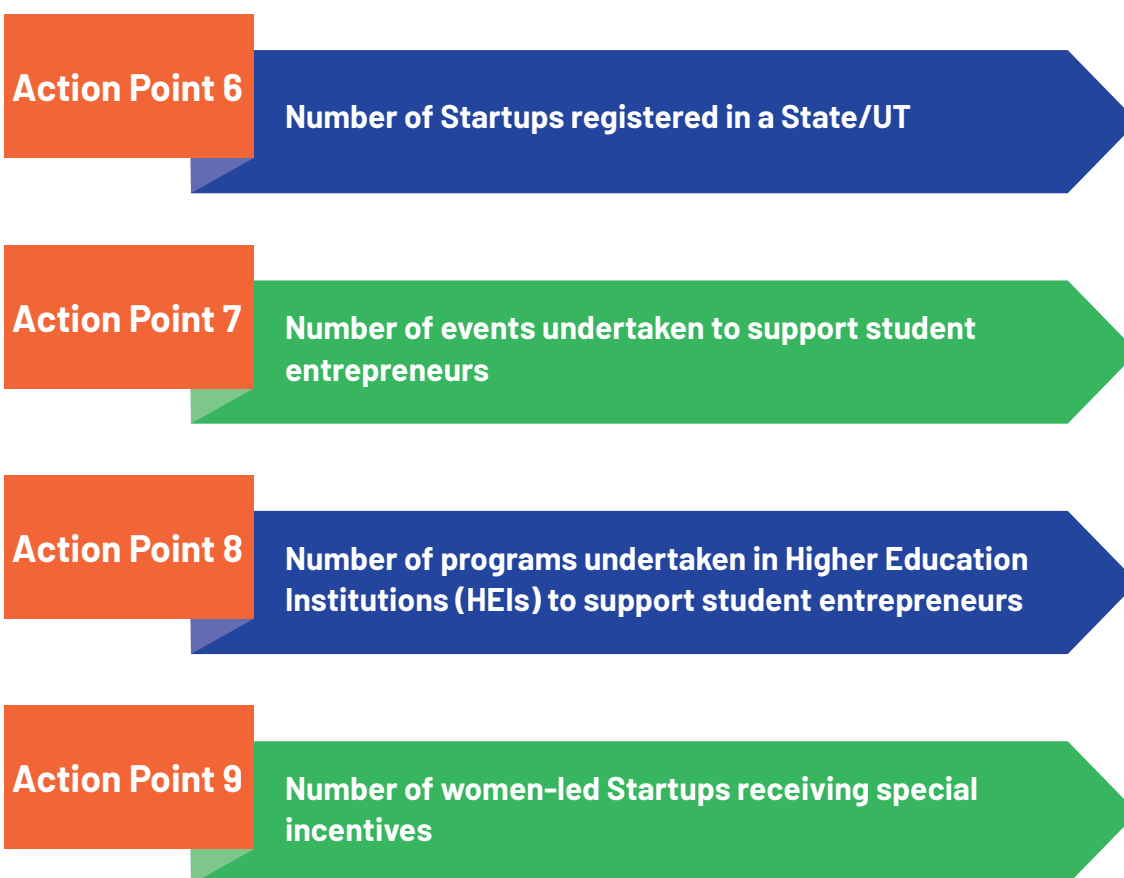
Overview of the Reform Area

Fostering Innovation and Entrepreneurship as the name of reform area suggests, seeks to encourage the spirit of innovation among aspiring entrepreneurs with a focus on student entrepreneurs, entrepreneurs from higher education institutions (HEIs) and women entrepreneurs. It focuses not only on the assessment of the total number of registered Startups in each State/ UT, which is a direct result of the State/ UT support but also on the regulatory reforms undertaken to support Startups in diverse sectors.

This Reform Area assesses the extent to which Higher Educational Institutes (HEIs) have been engaged in providing support to student entrepreneurs. It also highlights the value of innovation and entrepreneurship be it students or women. Furthermore, special focus has been drawn towards women-led Startups with specially tailored incentives and schemes to ensure equitable implementation.

There are four Action Points for this Reform Area, all four of which are based on the documentation provided by the States / UTs.

Fostering Innovation and Entrepreneurship

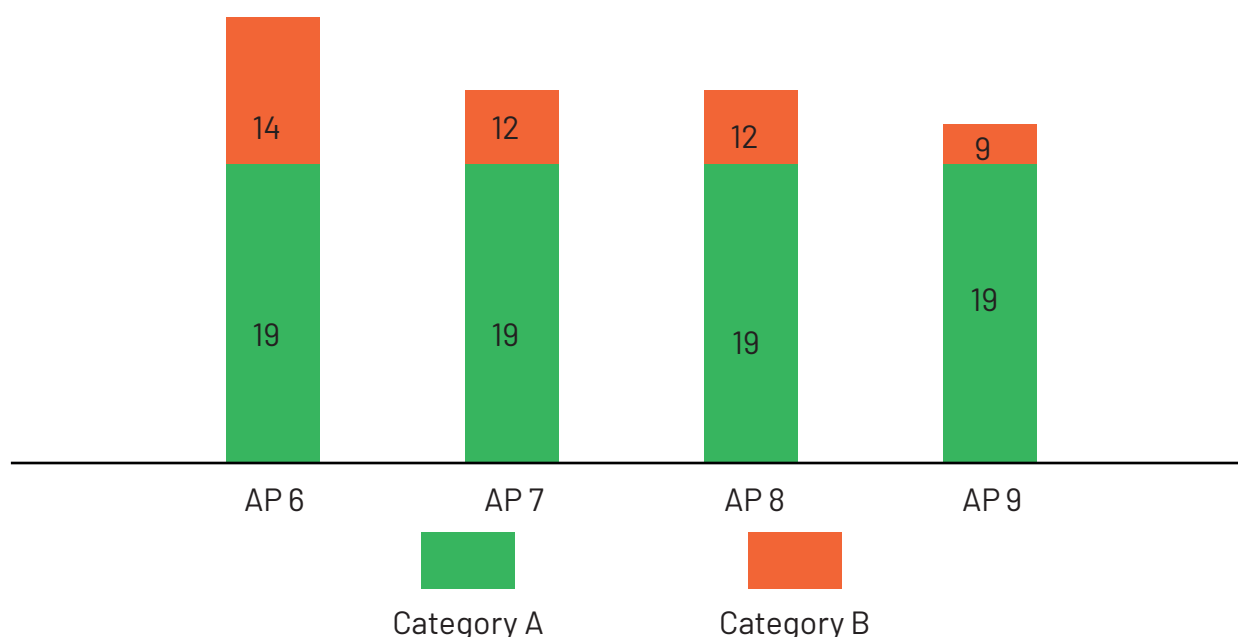


Action Points for Fostering Innovation and Entrepreneurship



6.2.1 Participation Summary

The Reform Area: Fostering Innovation and Entrepreneurship received encouraging participation from the States / UTs. This representation is across five Action Points aimed to strengthen the Startup ecosystem across all the States / UTs in India.



Participation Summary for Reform Area 2

Key Insights for each Action Point under Fostering Innovation and Entrepreneurship

ACTION POINT 6: Number of Startups registered

In this Action Point, unique Startups registered with DPIIT and States / UTs within the period of consideration have been selected for the purpose of evaluation. The Action Point witnessed the highest participation from States / UTs among all the Action Points of this Reform Area. A total of 19 States/UTs in Category A and 14 in Category B participated.

ACTION POINT 7: : Number of events undertaken to support student entrepreneurs

In this Action Point, events, programs, and engagements undertaken to support student entrepreneurs within the period of consideration have been selected for the purpose of evaluation. Programs may include business plan workshops, faculty awareness sessions, bootcamps, entrepreneurship programs, and any other program focused on entrepreneurship development.

A total of 19 States / UTs in Category A and 12 in Category B participated in this Action Point.

ACTION POINT 8: Number of programs undertaken in Higher Education Institutions (HEIs) to support student entrepreneurs

In this Action Point, comprehensive support structures and learning opportunities in HEIs to support student entrepreneurs within the period of consideration have been considered for the purpose of evaluation.

A total of 19 States / UTs under category A and 12 under category B participated in this Action Point.

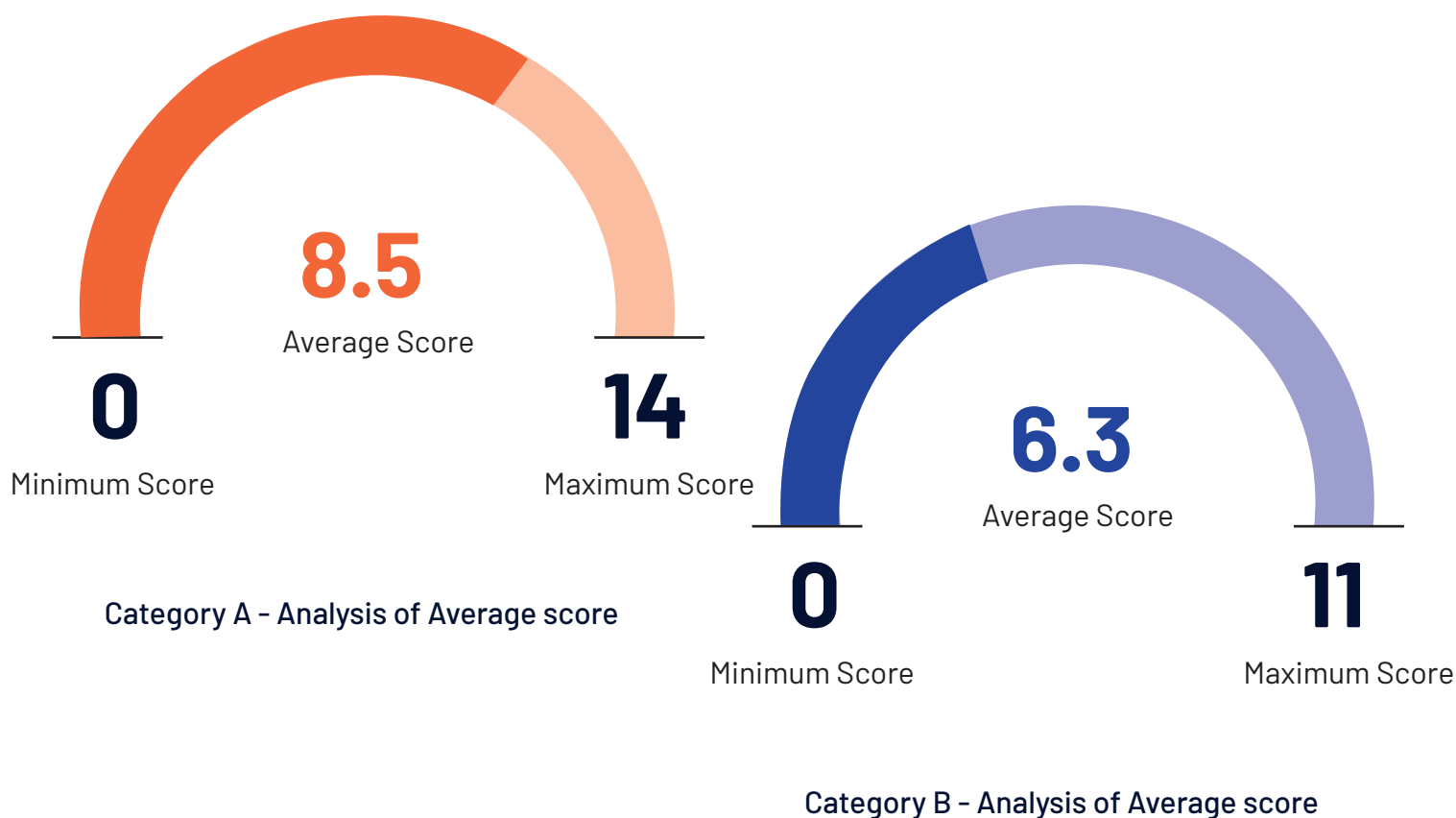
ACTION POINT 9: Number of women-led Startups receiving special incentives

In this Action Point, schemes and policies for women entrepreneurs and support to women-led Startups within the period of consideration have been considered for the purpose of evaluation.

A total of 19 States / UTs under Category A and nine under Category B participated in this Action Point.

6.2.3 Analysis of Scores

The Reform Area on Fostering Innovation and Entrepreneurship saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 8.5 for Category A States / UTs and 6.3 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 14 and for Category B States/ UTs to be 11.



6.2.3 Action Point wise insights as per the Framework

Under 2022 submission more than one lakh Startups were submitted for evaluation by the participating States / UTs. As per the submissions, five states account for close to 60% of registered Startups. The distribution of registered Startups across all States/ UTs in the country has been visualized below.

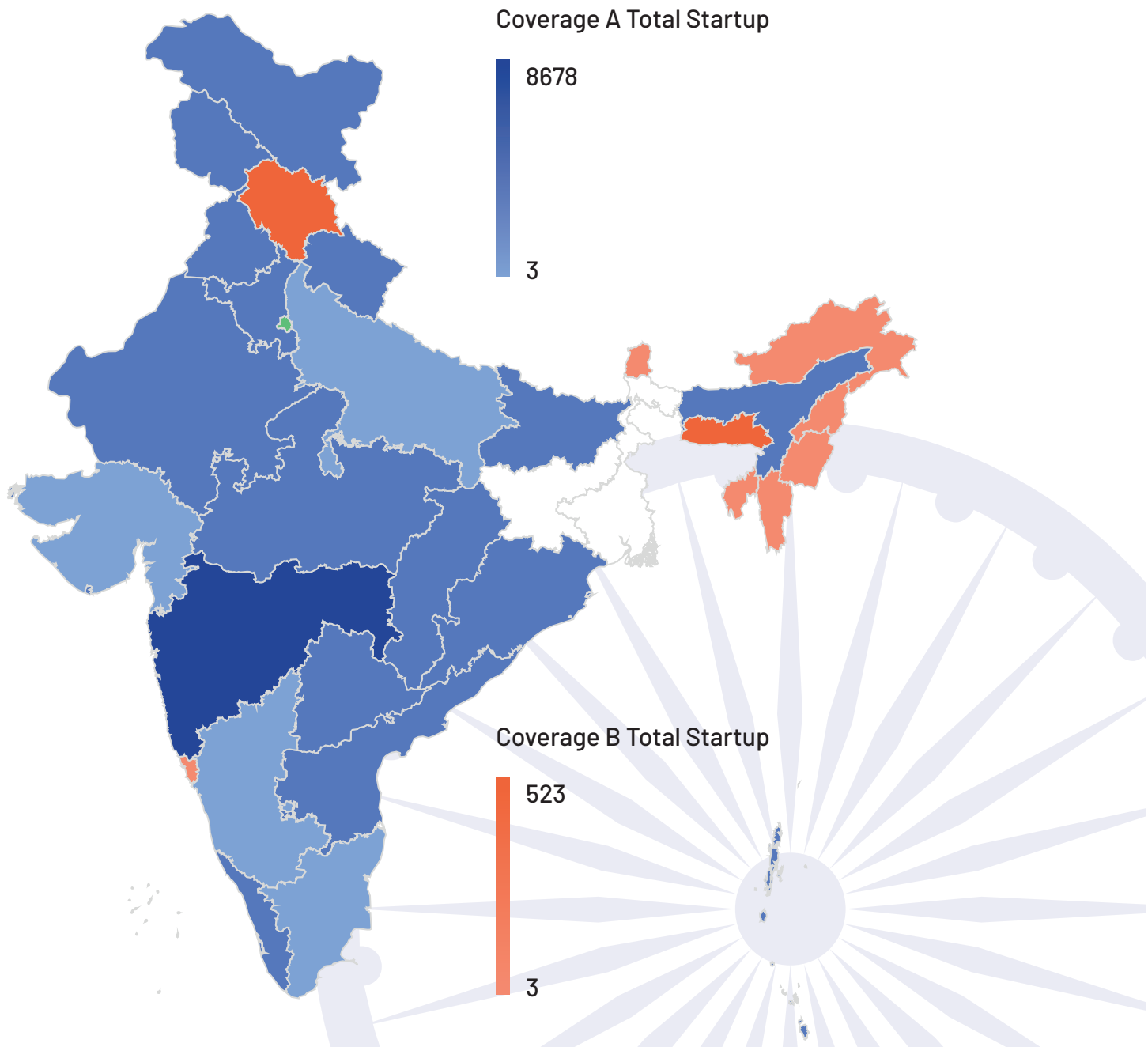


Chart 14: India map highlighting distribution of registered Startups.

³¹Disclaimer: The Reform area insights have been arrived on the basis of submission of evidence and supporting documents provided by the participating State/ UTs for the duration 1 August 2021 to 31 December 2022.

90% of the submitted Startups were found to be DPIIT registered and remaining 10% were State or UT registered.

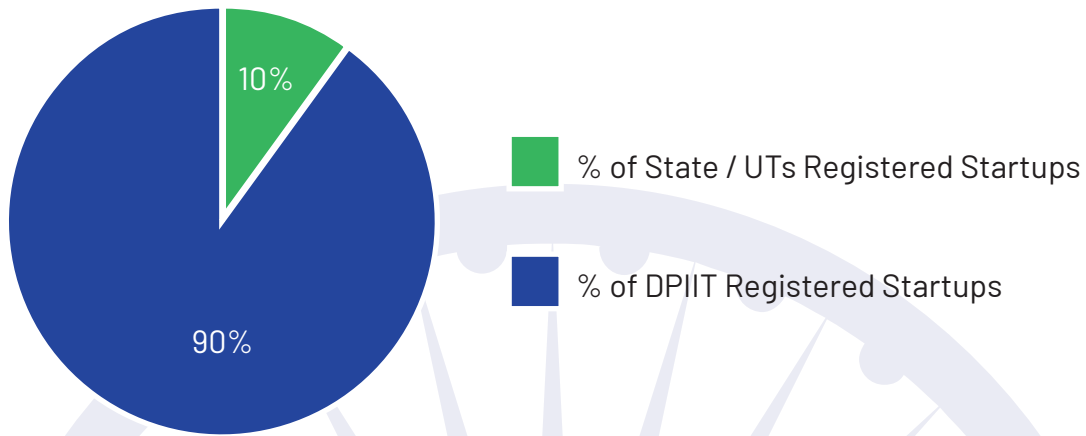


Chart 15: State/ UT vs DPIIT registered Startups

Of the submitted events in Action Point 7 considering number of events undertaken to support student entrepreneurs by Category A States/ UTs, three states accounted for more than 50% of the total number of participants. In Category B States/ UTs, three States saw the participation of more than 70% of the student entrepreneurs submitted.

Under Action Point 9 considering Women led Startups, three Category A states accounted for close to 70% of women-led Startups supported while three category B States/ UTs submitted close to 80% of women-led Startups. Also, The fiscal and non-fiscal incentives provided to women-led Startups through various policies and schemes were also identified during evaluation. More than 70% of the total women-led Startups were observed to be provided fiscal incentives, subsidized loans, and mentorship.

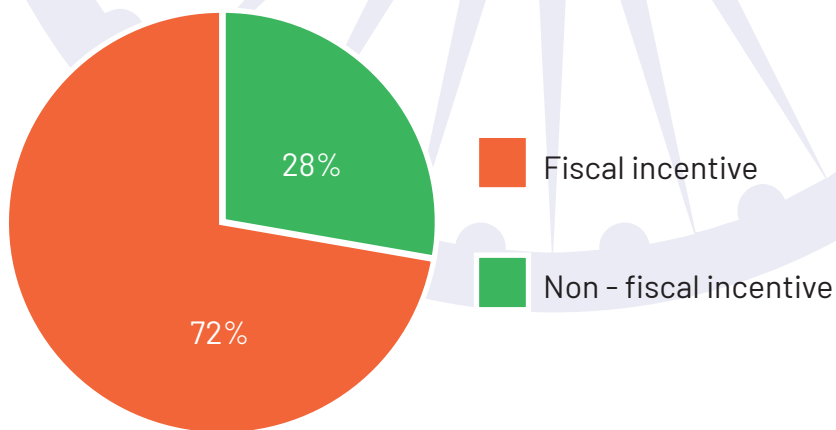
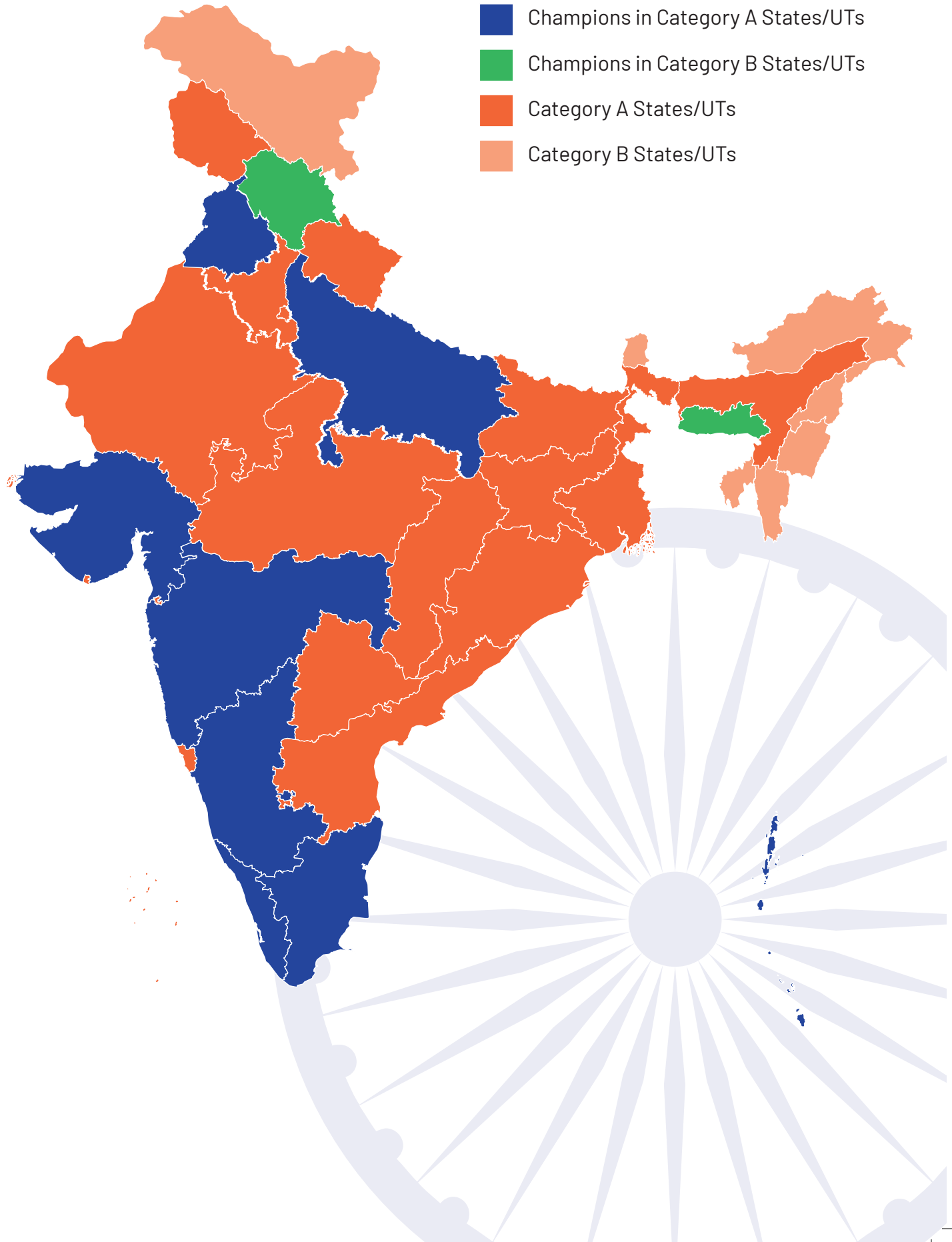


Chart 16: Fiscal vs. Non-fiscal incentive to Women-led Startups

6.2.4 Champions of Fostering Innovation and Entrepreneurship



6.2.5 Performance Summary of Fostering Innovation and Entrepreneurship

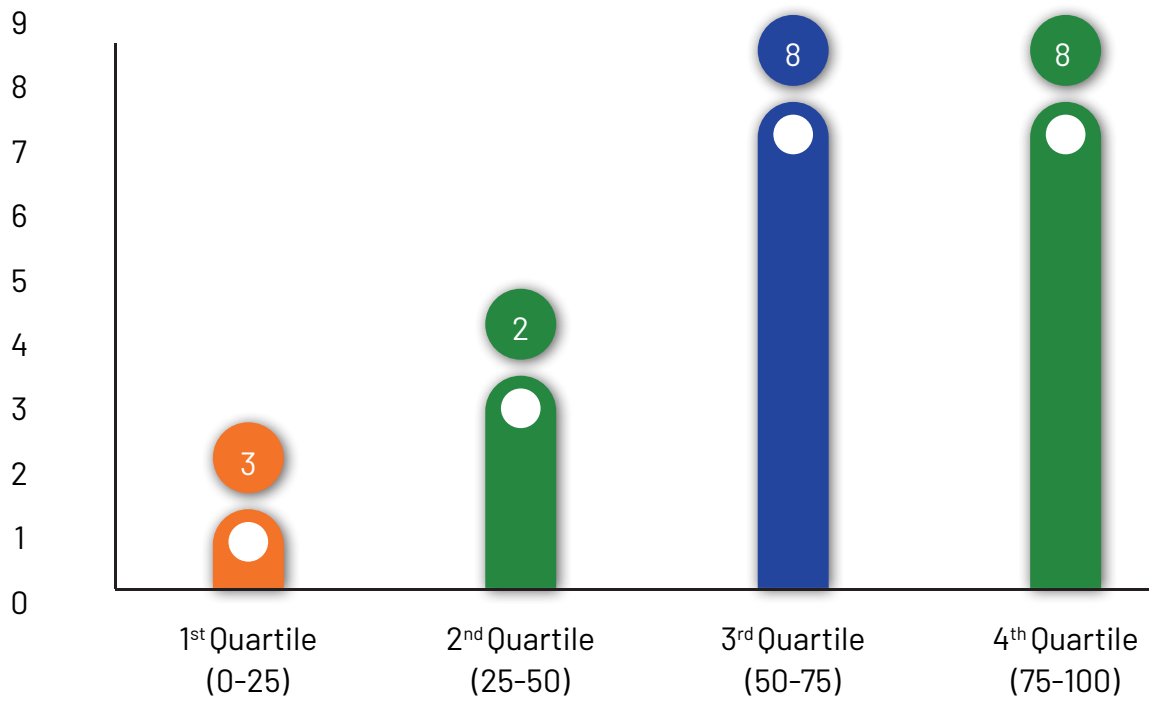


Figure : Number of States from Category A in each quartile

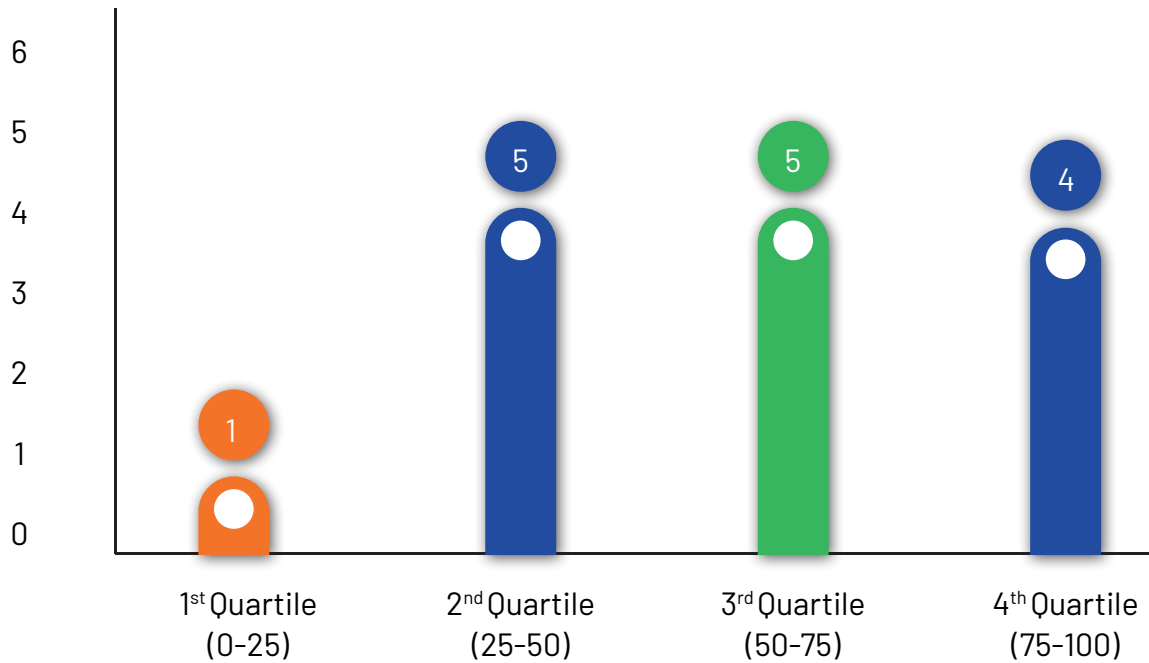


Figure : Number of States from Category B in each quartile



6.3 REFORM AREA 3 ACCESS TO MARKET

Overview of the Reform Area

Reform Area: Access to Market seeks to encourage the State/UT Government to increase participation in the public procurement process for Startups and become an enabler in providing the opportunities to Startups in the domestic and international market. The States/UTs are evaluated based on their support to Startups through the organization of showcase opportunities such as Demo-Day, Buyer-Seller Meet, National and International Events, and relaxation in criteria for Government work orders.

The aim is to steadily increase the number of work orders awarded to Startups by helping them be at par with the established players in their respective sectors.

This reform area encompasses three Action Points, all derived from the documentation furnished by the States/UTs.

Access to Market

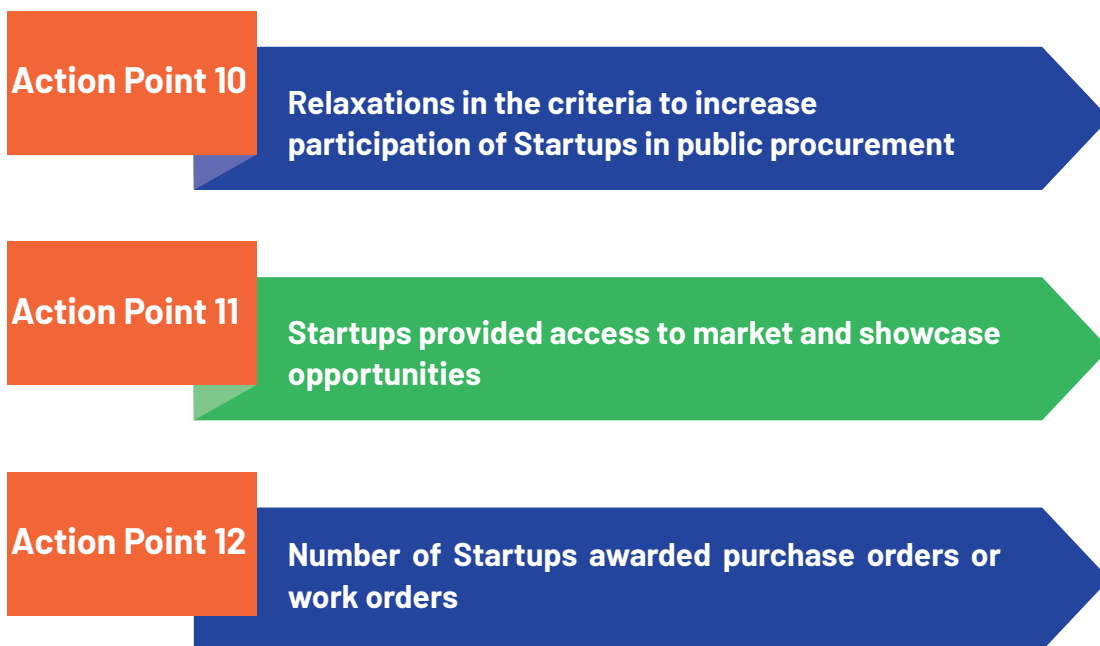


Figure 13: Action Points for Access to Market



6.3.1 Participation Summary

The Access to Market Reform Area witnessed significant participation from the various States/UTs. The chart below provides a visual representation of participation by Indian States/UTs in this Reform Area.

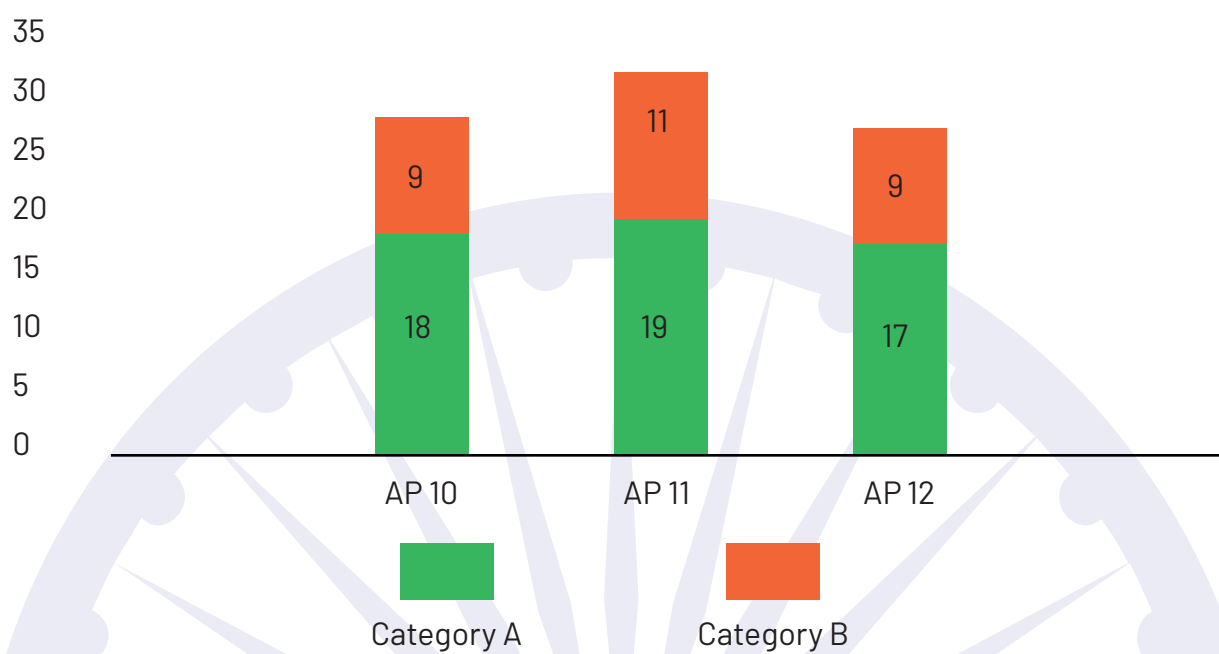


Chart 17: Category-wise participation summary by States/UTs in all Action Points

Key Insights for each Action Point under Institutional Support

ACTION POINT 10: Relaxations in the criteria to increase participation of Startups in public procurement.

In this Action Point, the public procurement exemptions, and relaxations to Startups by States/UTs on prior turnover, prior experience, and Earnest Money Deposit criteria have been assessed in order to increase participation of Startups through leveraging these relaxations.

A total of 18 States/UTs under Category A and nine States/UTs under Category B have participated in this Action Point.

ACTION POINT 11: Startups provided access to the market and showcase opportunities.

In this Action Point, programs to connect Startups with relevant States/UTs Government departments, Public Sector Enterprises (PSEs) and other government organizations present in the States/UTs have been assessed. The aim is to identify initiatives which would increase national and international market access for Startups through product showcase opportunities.

A total of 19 States/UTs under Category A and 11 States/UTs under Category B have participated in this Action Point.

ACTION POINT 12: Number of Startups awarded purchase orders or work orders.

In this Action Point, Startups that have been awarded purchase or work orders through States/UTs Government procurement processes have been evaluated. Startups receiving work orders as part of programs such as buyer-seller meets, demo or demand days, grand challenges or hackathons, or any other innovative product showcase opportunity have also been.

A total of 17 States/UTs under Category A and nine States/UTs under Category B have participated in this Action Point.

6.3.2 Analysis of Scores

The Reform Area on Access to Market saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 5.3 for Category A States / UTs and 2.2 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 11 and for Category B States/ UTs to be 7.

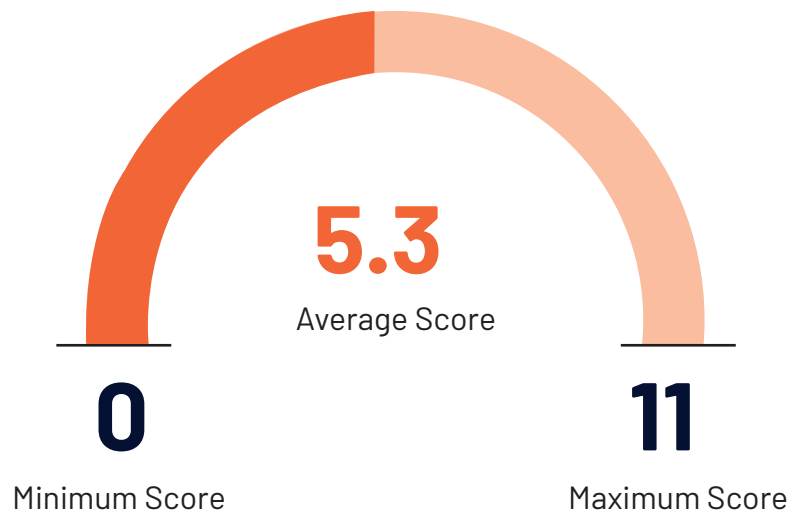


Figure : Category A - Analysis of Average score

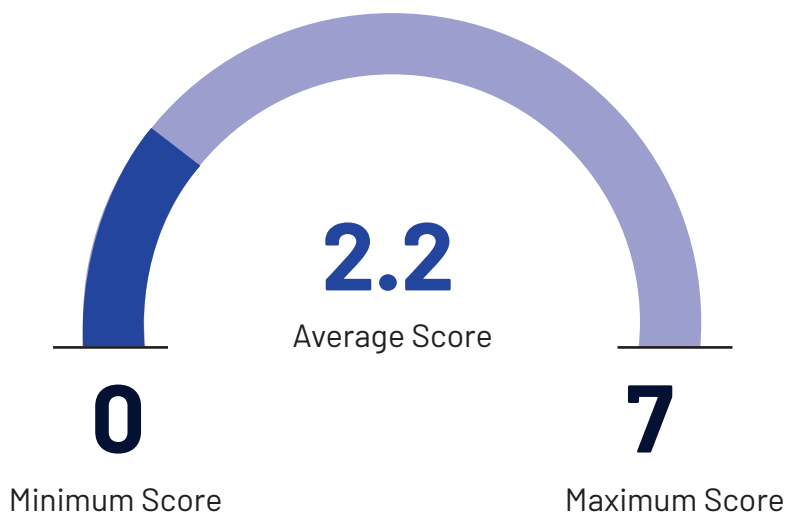
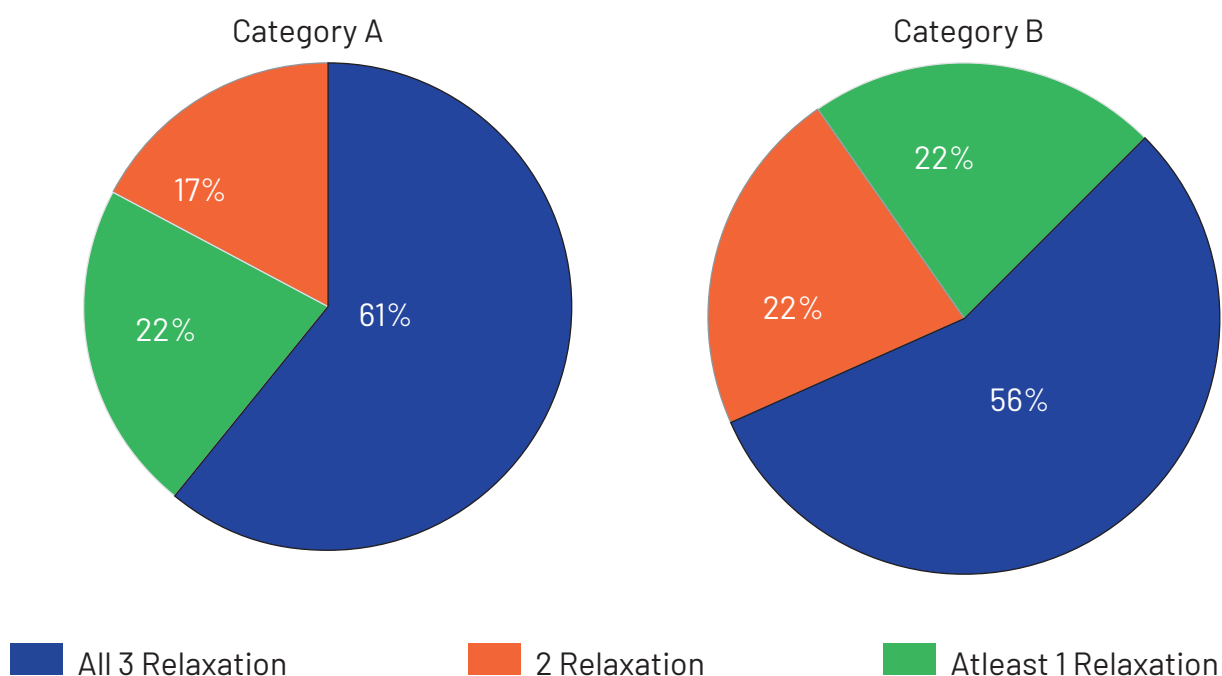


Figure : Category B - Analysis of Average score

6.3.3 Action Point Wise Insights as per the Framework

Under Access to Market assessment more than 60% of the States/UTs in Category A and more than 20% of the States/UTs in Category B have provided all three relaxations in public procurements. More than 15% and 20% of the Category A and B States/UTs respectively have provided at least one of the three public procurement relaxation to the Startups.



Category-wise break of Relaxations in public procurement to Startups

On average, Category A States/UTs organised close to 20 programs with average participation of more than 10 Startups per program. Category B States/UTs organised close to five programs on average with average participation of close to five Startups per program.

The average aggregate value of work or purchase order awarded by Category A States/UTs has been observed to be more than **INR 10 L** while the maximum work order value was **INR 80 Cr.**

Category B States/UTs provided Startups with work orders of an average value of more than **INR 8.5 L** while the maximum work order value was close to **INR 60 L.**



The distribution of Startups provided with access to market and showcase opportunities across Category A and B States/UTs is mapped below

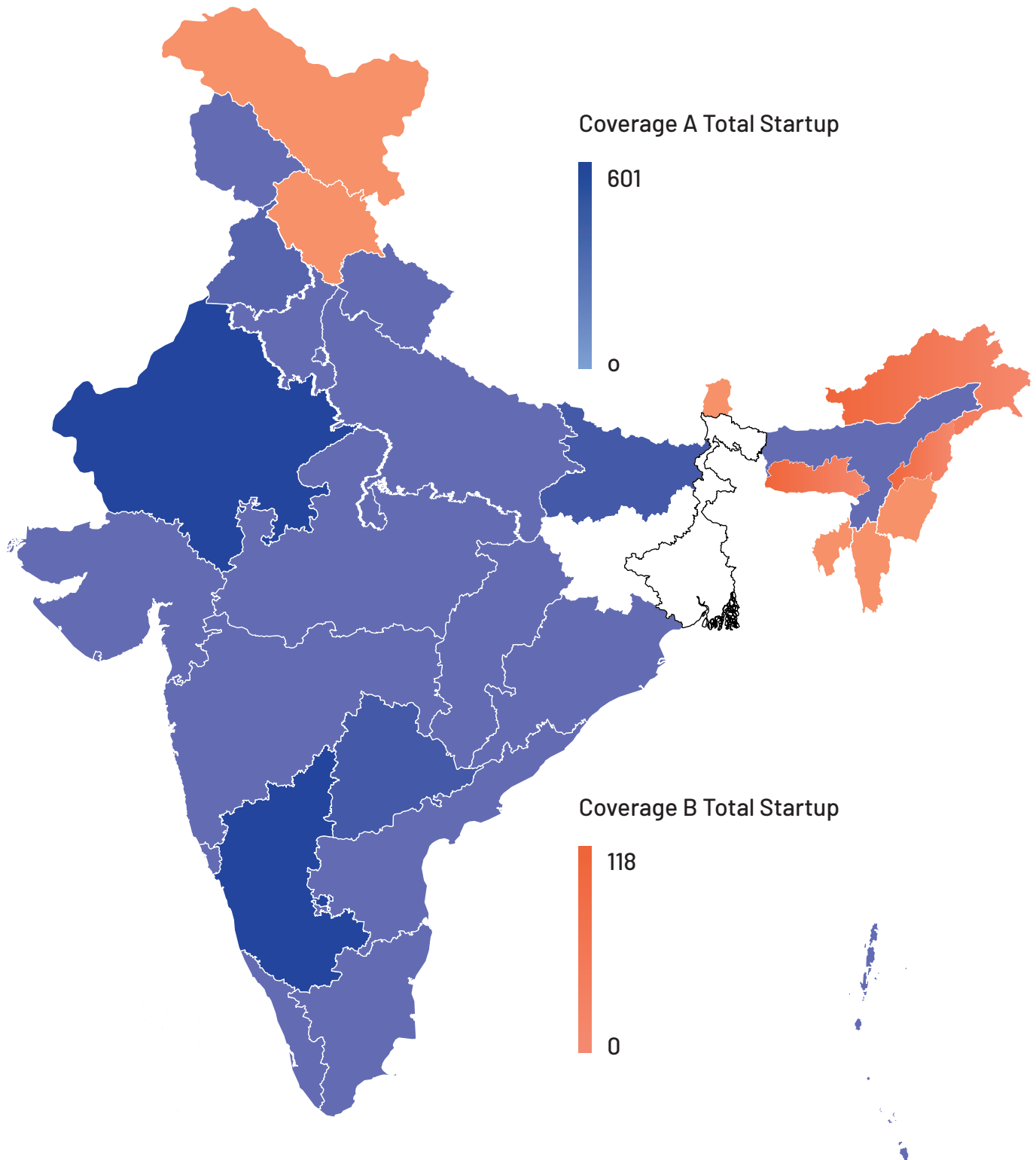
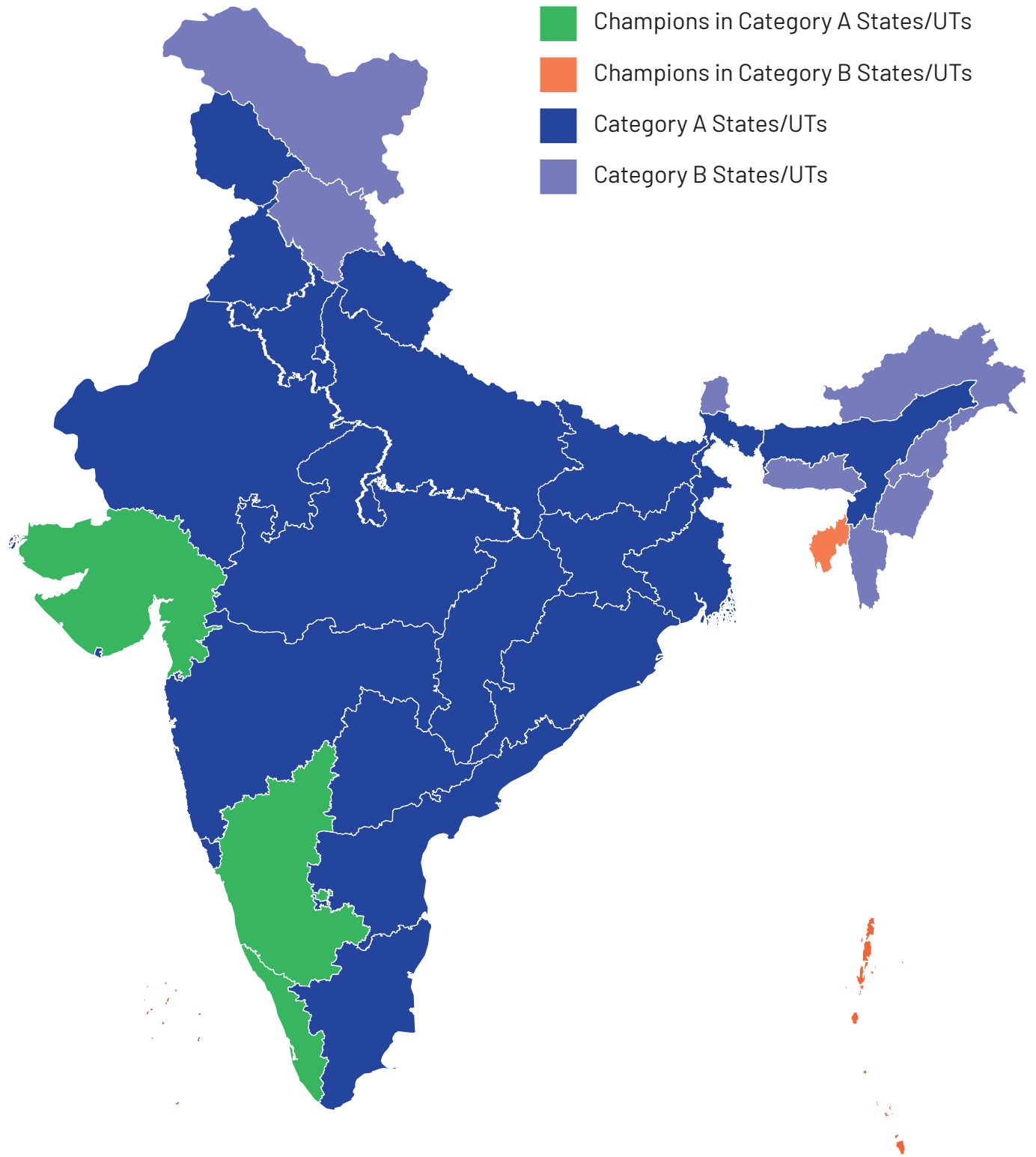


Chart 19: Distribution of Startups provided with access to market

6.3.4 Champions of Access to Market



Performance Summary of Access to Market

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Access to Market, the number of States/UTs in the respective quartiles have been represented below:

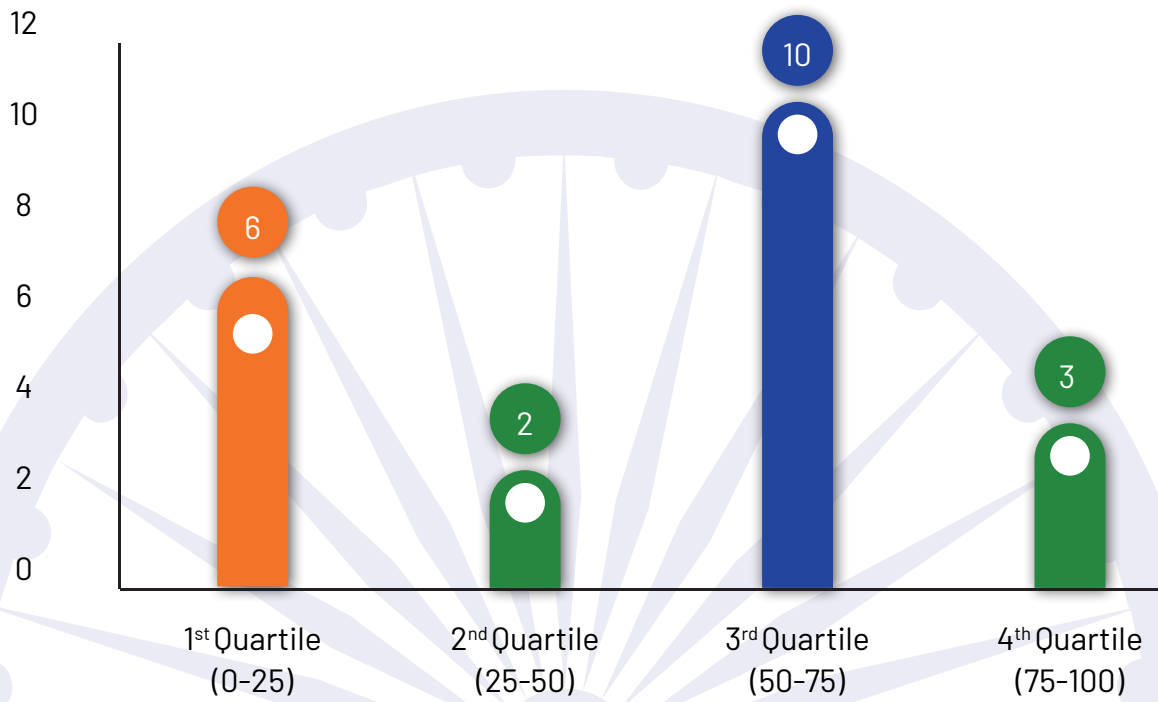


Figure : Number of States from Category A in each quartile

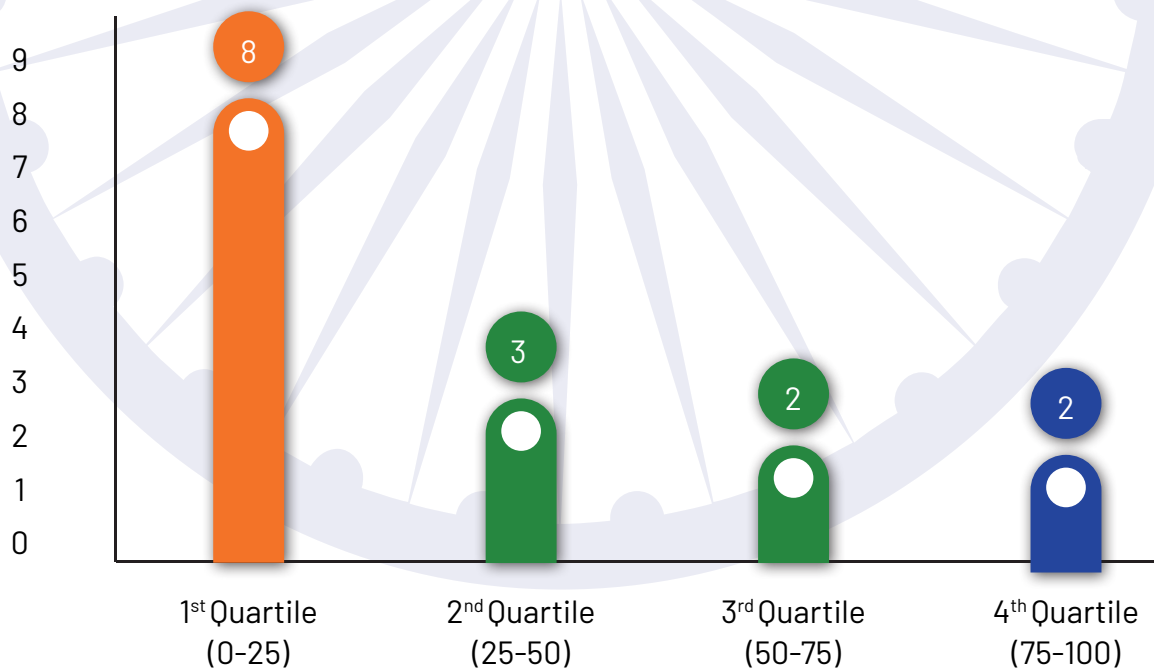


Figure : Number of States from Category B in each quartile

6.4 REFORM AREA 4 INCUBATION AND MENTORSHIP

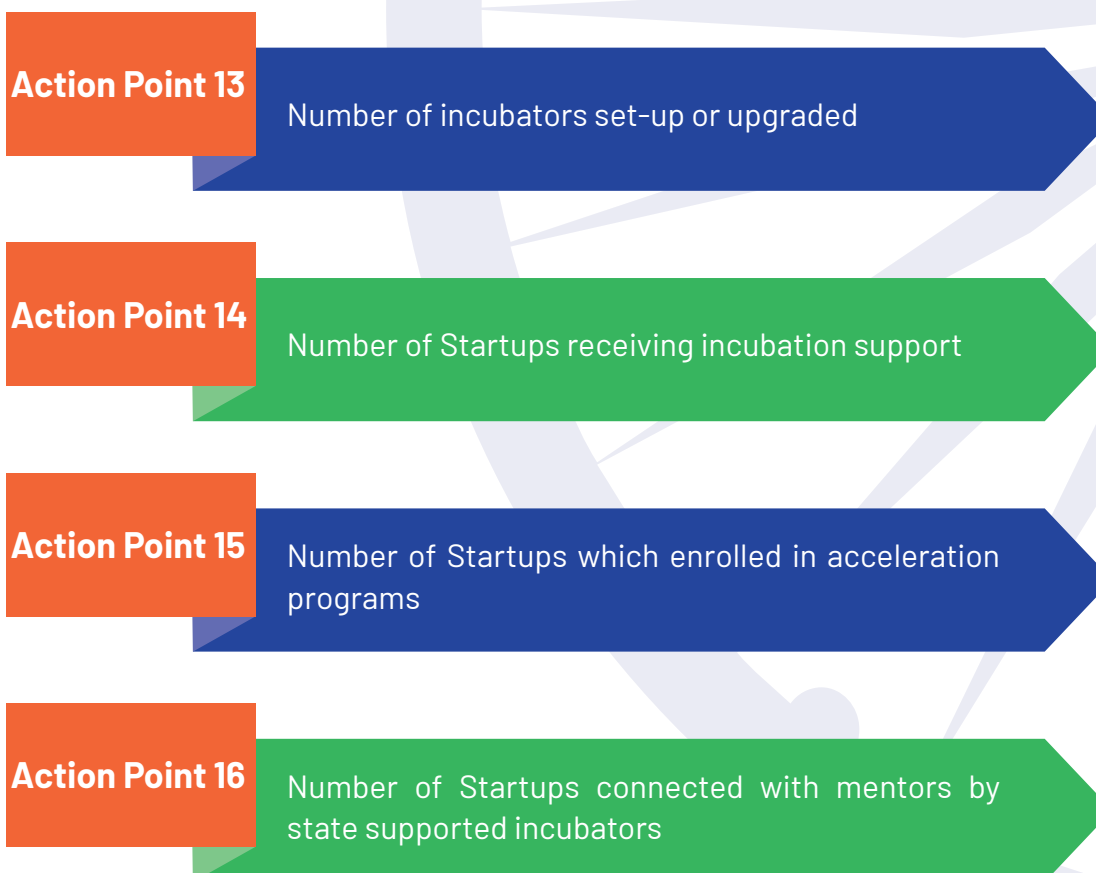
Overview of the Reform Area

Incubation and Mentorship support is provided to States/UTs in the form of financial and infrastructural support to Startups and State-supported incubators. The State/UT Governments are initiating setting up of new incubators or in upgrading existing incubator facilities through various fiscal and non-fiscal incentives including conduction of acceleration programs across States/UTs. This Reform Area also aims at ensuring proportionate utilization of the incubation capacity of the State-supported incubators.

The support provided by the State/UT to the incubators through programs and incentives will in turn help Startups in scaling up and thereby, contribute to the growth of the State/UT Startup ecosystem. The Reform Area measures efforts by the State/UT Government in facilitating mentorship to Startups. This has been assessed by the number of Startups benefitting from the State/UT's network of mentors.

This reform area encompasses three Action Points, all derived from the documentation furnished by the States/UTs.

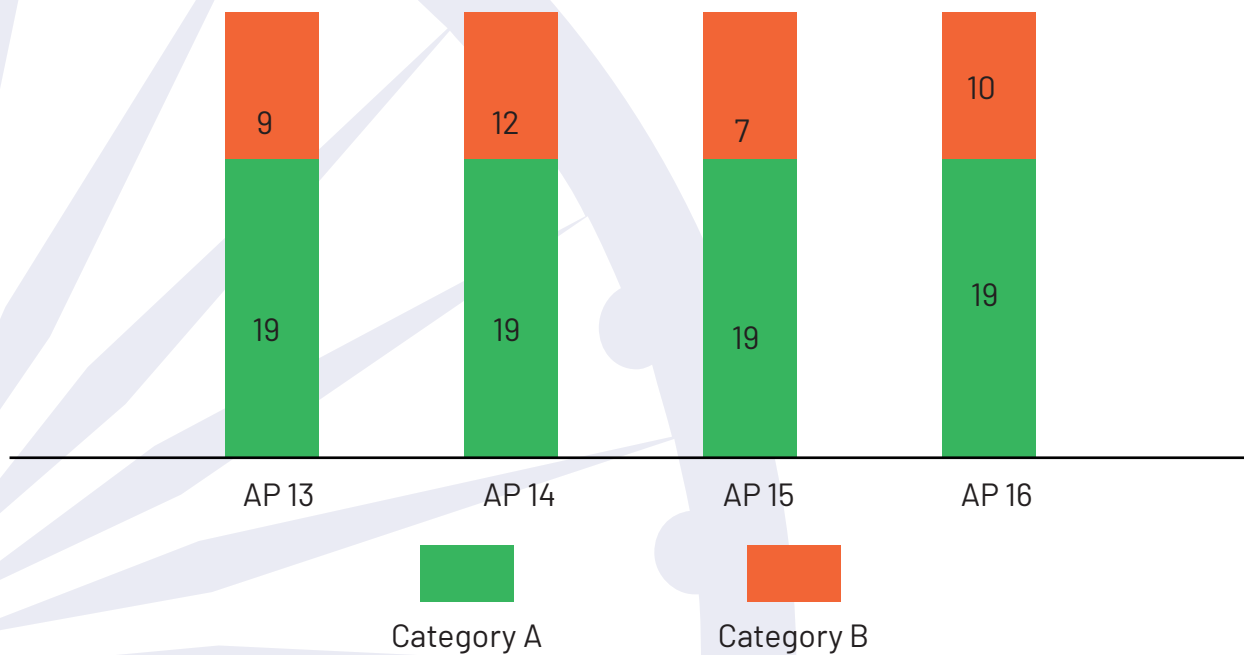
Incubation and Mentorship Support



Action Points for Incubation and Mentorship Support

6.4.1 Participation Summary

The Reform Area: Incubation and Mentorship Support saw enthusiastic participation by the States/UTs. The chart below provides a visual representation of participation by Indian States/UTs in this Reform Area.



Key Insights for each Action Point under Incubation and Mentorship Support

ACTION POINT 13: Number of incubators set-up or upgraded.

In this Action Point, the assistance provided by States/UTs in setting up of new incubators or upgrading existing incubators during the period of consideration has been assessed. The coverage of incubators functioning across the districts of the State/UT has also been analysed.

A total of 19 States/UTs under category A and nine under category B participated in this Action Point.

ACTION POINT 14: Number of Startups receiving incubation support

In this Action Point, the incubation support provided by States/UTs to Startups during the period of consideration has been assessed. Under this Action Point Startup ecosystems based on the number of Startups benefitting from incubation support, saw the maximum participation.

A total of 19 States/UTs under category A and 12 States/UTs under category B have participated in this Action Point.

ACTION POINT 15: Number of Startups which enrolled in acceleration programs

In this Action Point, the support provided by States/UTs to Startups through acceleration programs during the period of consideration has been assessed.

A total of 19 States/UTs under category A and seven under category B participated in this Action Point.

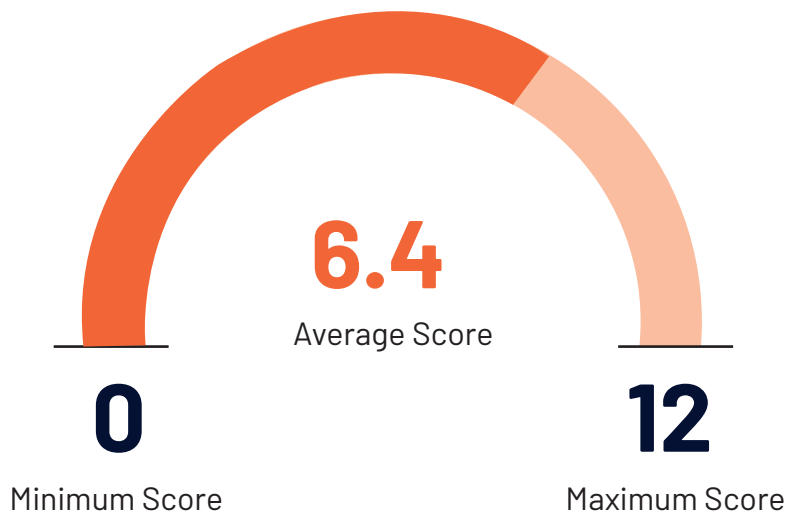
ACTION POINT 16: Number of Startups connected with mentors by state supported incubators

In this Action Point, the mentoring support provided by States/UTs to Startups through state-supported incubators during the period of consideration has been assessed.

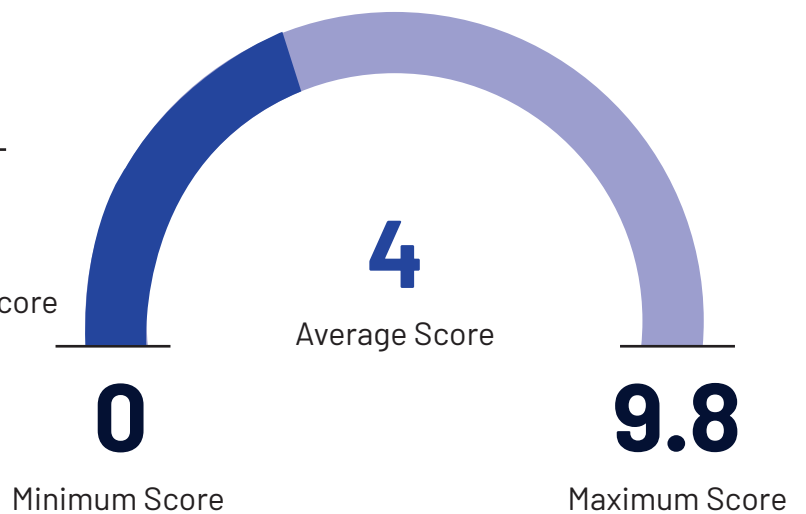
A total of 19 States/UTs under category A and 10 under category B participated in this Action Point.

6.4.2 Analysis of Scores

The Reform Area on Incubation and Mentorship Support saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 6.4 for Category A States / UTs and 4 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 12 and for Category B States/ UTs to be 9.8.



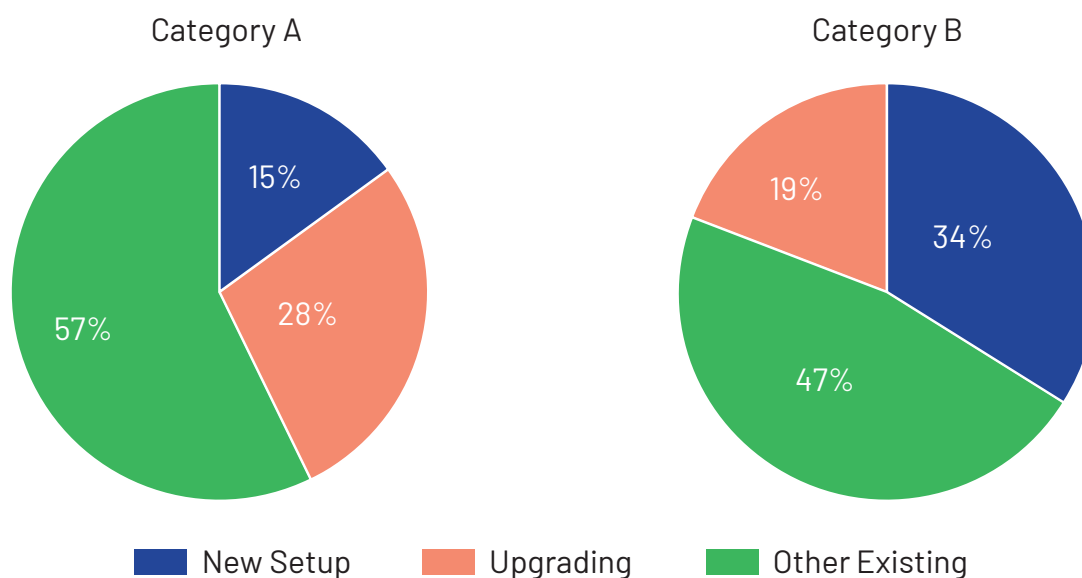
Category A - Analysis of Average score



Category B - Analysis of Average score

6.4.3 Action Point -wise insights as per the Framework

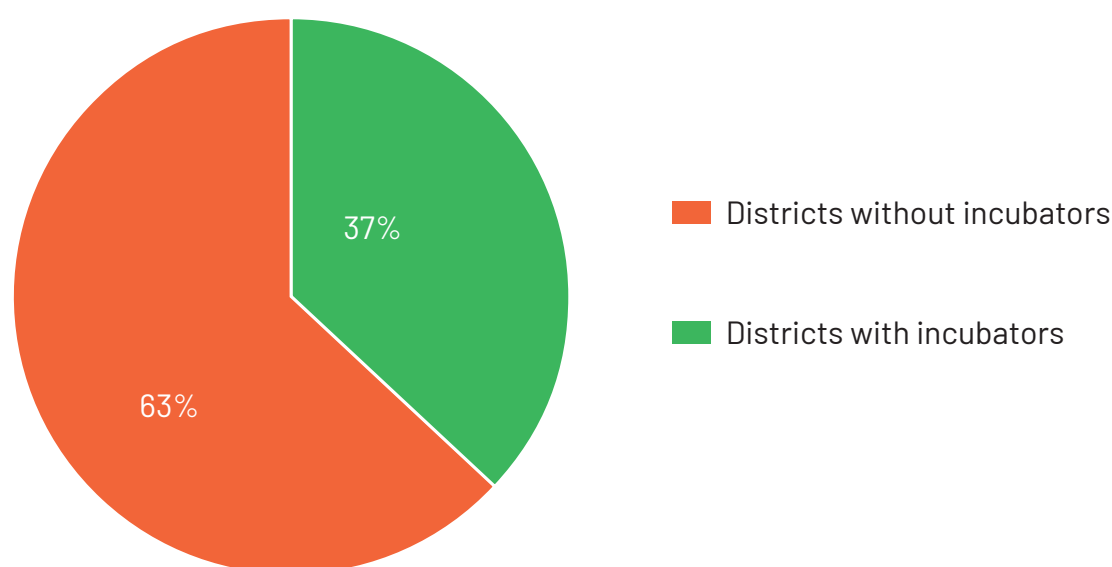
As per the submissions by States/UTs, close to 50% of incubators in Category B States/UTs were observed to be newly set-up. In Category A States/UTs, more than 40% of the submitted incubators were either new set-up or upgraded during the period of consideration.



Category-wise break up of State/UT support to incubators

More than **130 submitted incubators** across States/UTs were supported by the Startup India Seed Fund Scheme (SISFS) within the period of consideration.

According to the submissions for **Action Point 13**, close to **40%** of the districts across **28 States/UTs** have active incubators.

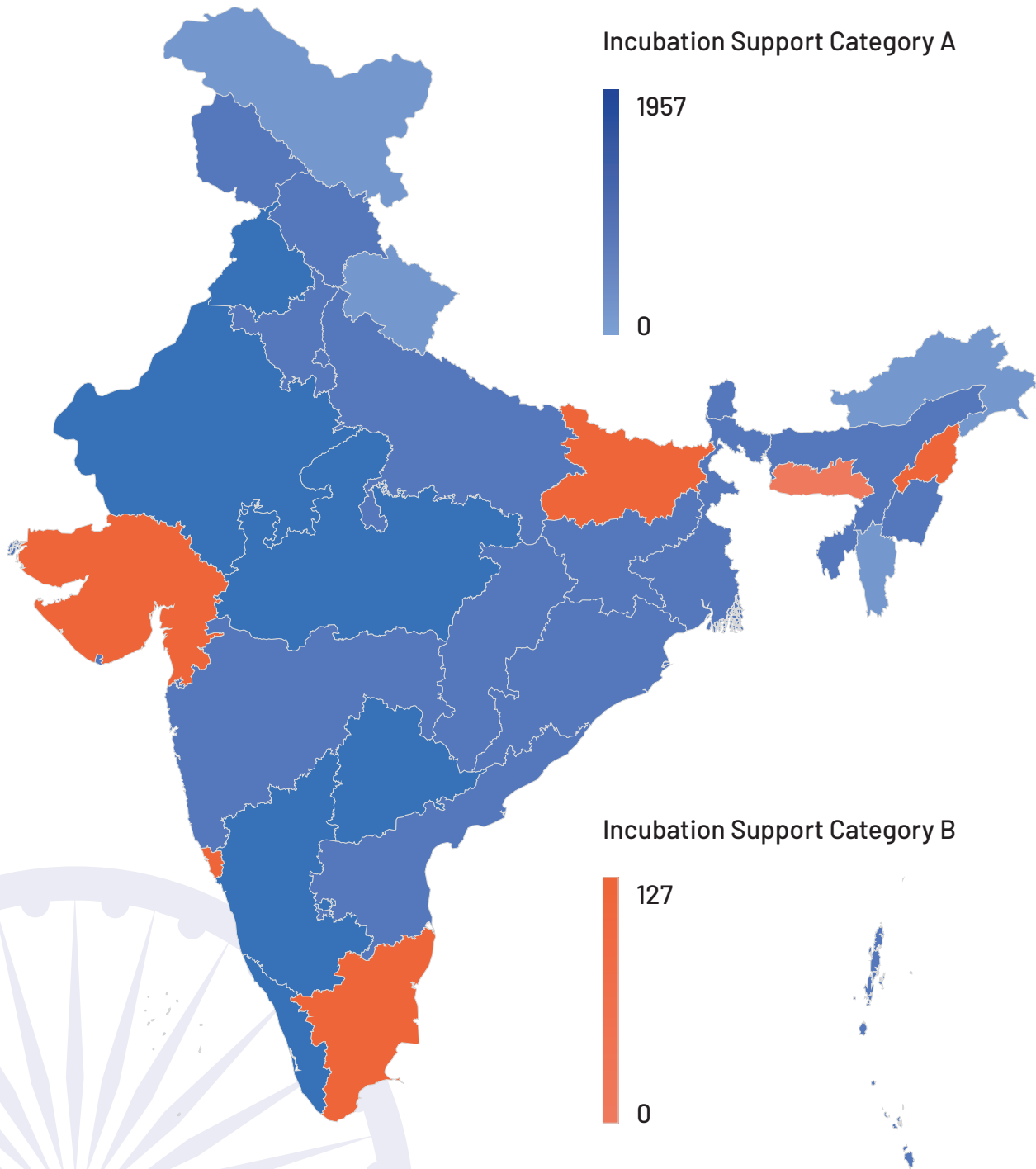


District-wise coverage of incubators

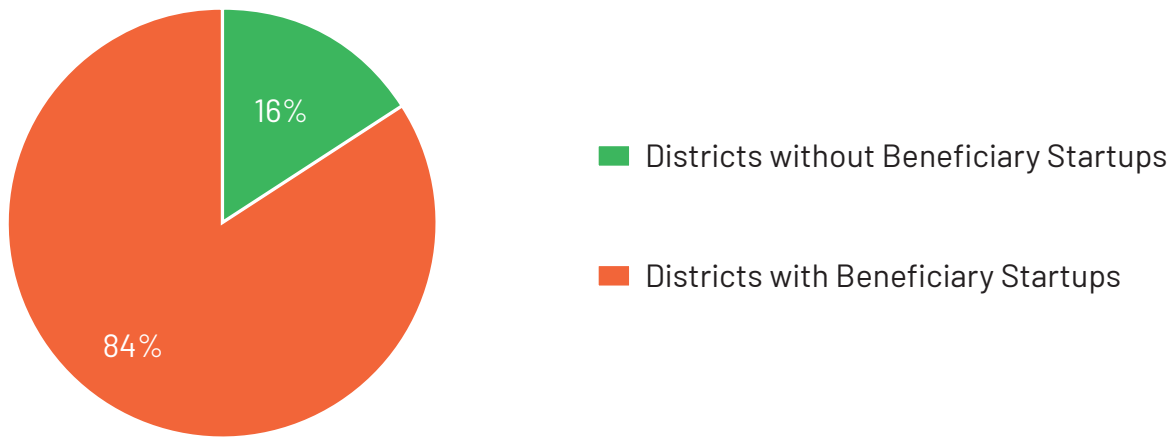
³²Disclaimer: The Reform area insights have been arrived on the basis of Submission of evidence and supporting documents provided by the participating State/ UTs for the duration 1 August 2021 to 31 December 2022.

A concentration of Startups has been mapped based on the number of Startups receiving incubation support from the state-supported incubators as submitted by the States/UTs:

Incubation support to Startups

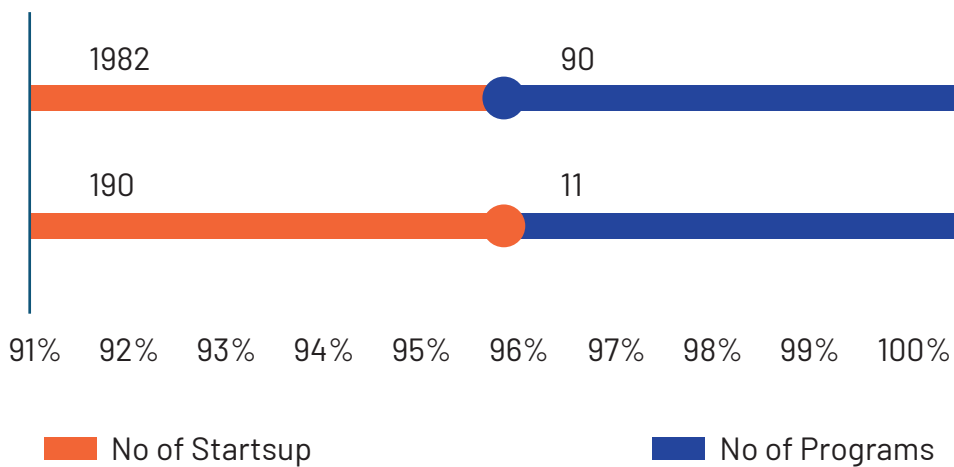


The participating States/UTs in **Action Point 14** have offered incubation support to Startups from close to **85%** of their districts.



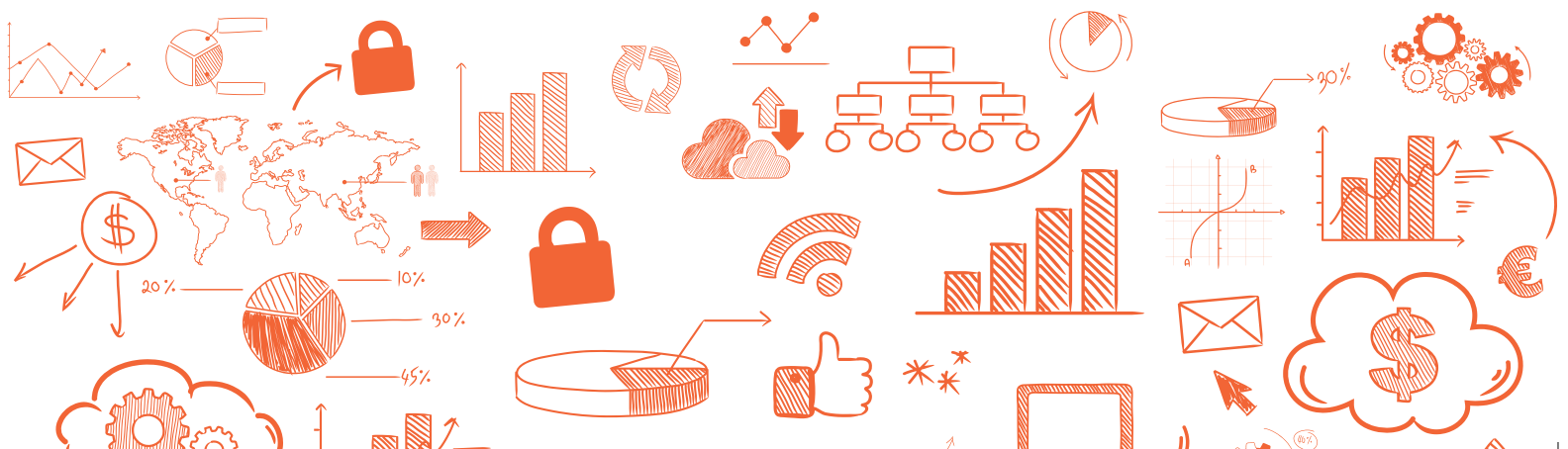
District Coverage of Beneficiary Startups

Among the participating Category A States/UTs in **Action Point 15**, three states accounted for close to **40%** of the total acceleration programs submitted. In Category B, one state accounted for more than **50%** of submitted acceleration programs.

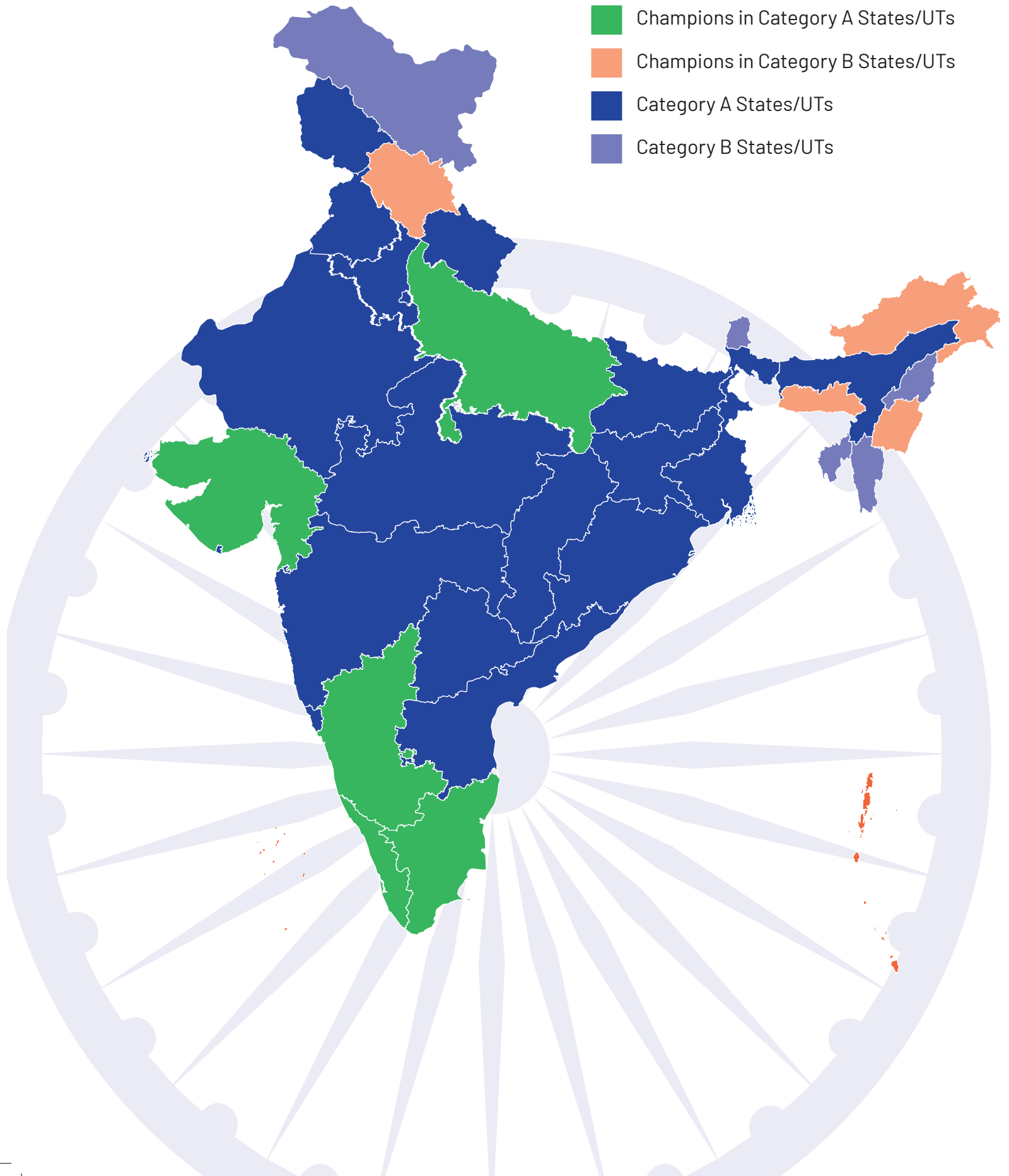


Category wise submissions of Acceleration Programs

Based on the submission of **Action Point 16**, it was observed that on average **145 Startups** were provided mentorship support in Category A states, while the average was **55 Startups** in Category B States/UTs.

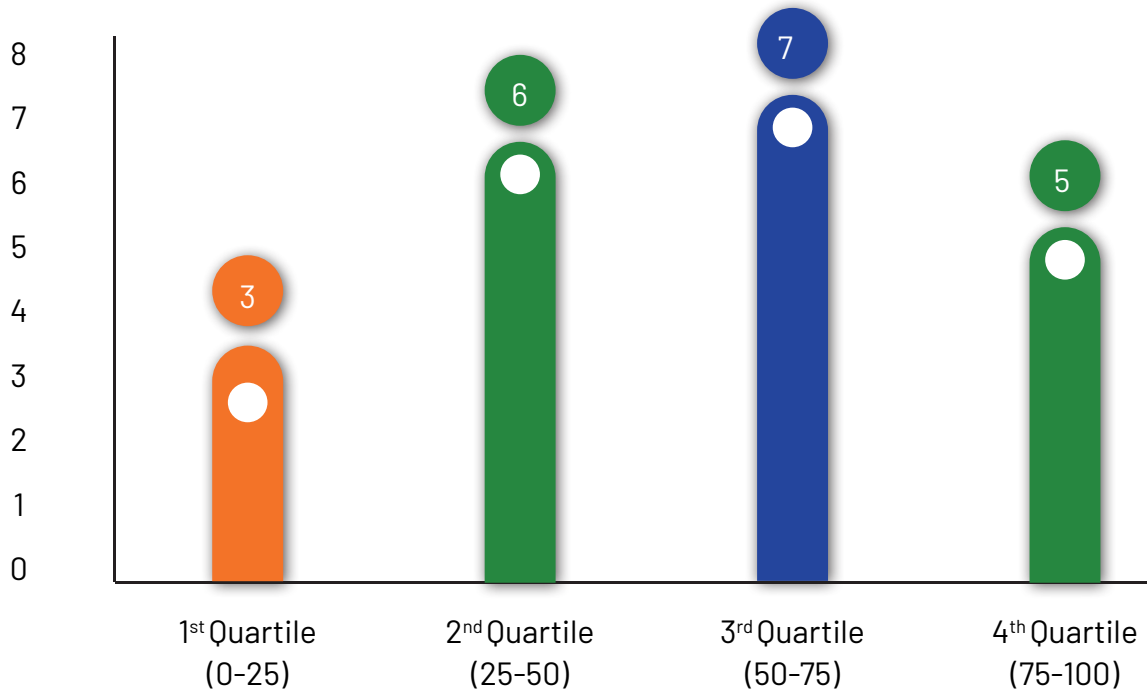


6.4.4 Champions of Incubation and Mentorship Support

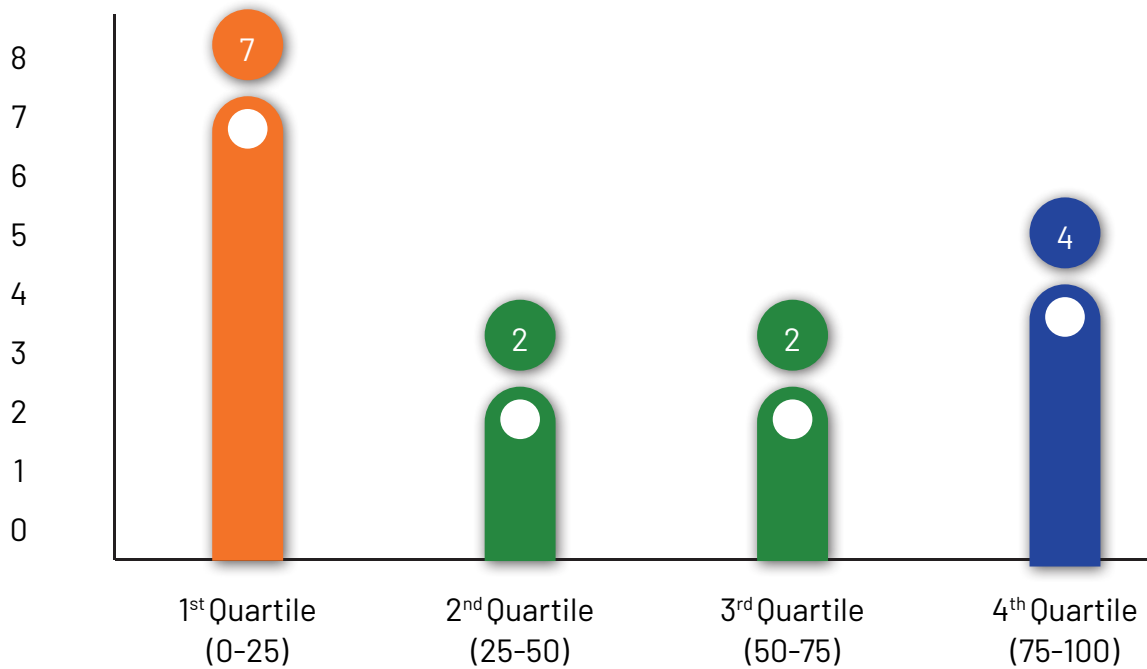


6.4.5 Performance Summary of Incubation and Mentorship Support

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Incubation and Mentorship Support, the number of States/UTs in the respective quartiles have been represented below:



Number of States from Category A in each quartile



Number of States from Category B in each quartile

6.5 REFORM AREA 5 FUNDING SUPPORT

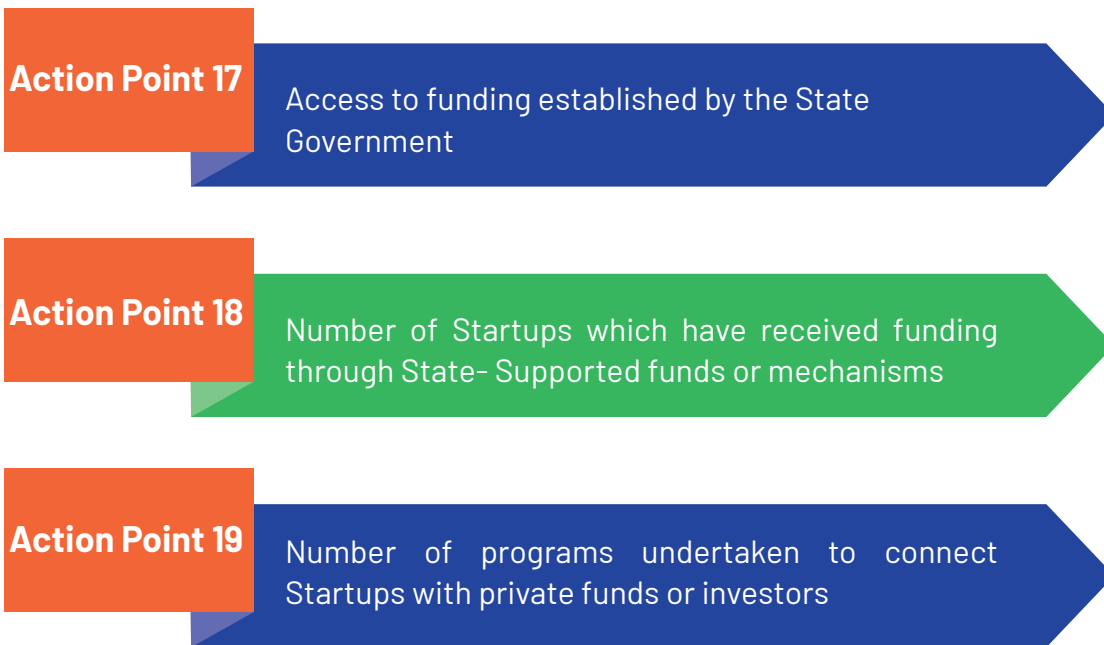
Overview of the Reform Area

This Reform Area encourages various State/UT Governments to establish either new Seed or Venture funds or Fund of Funds for Startups or continue supporting the existing ones. All Startups require timely availability of funding for their growth. It also focuses on the access to these funds established by the State/UT Government.

A special emphasis has been given to state-supported initiatives and programs to mobilize the private investments into Startup ecosystem by connecting Startups with investors such as workshops, networking events and pitching sessions.

This reform area encompasses three Action Points, all derived from the documentation furnished by the States/UTs.

Funding Support



Action Points of Funding Support



6.5.1 Participation Summary

The Reform Area: Funding Support saw enthusiastic participation by the States/UTs. The chart below provides a visual representation of participation by Indian States/UTs in this Reform Area.



Category-wise participation summary by States/UTs in all Action Points

Key Insights for each Action Point under Incubation and Mentorship Support

ACTION POINT 17: Access to Funding established by the State Government

In this Action Point, the institutionalised funding mechanism established and supported by States/UTs during the period of consideration, in the form of seed fund, venture fund and fund of funds has been assessed.

A total of 19 States/UTs in Category A and 11 States/UTs in Category B have participated in this Action Point.

ACTION POINT 18: Number of Startups which have received funding through State-supported funds or mechanisms.

In this Action Point, funding to Startups during the period of consideration through State supported funds and mechanisms has been assessed. The funding may be in the form of a direct government grant, monthly sustenance allowance, commercialization assistance, and interest subsidy on loans provided directly to Startups and/or through incubators would be considered. Startups funded from Venture Fund(s) or Fund of Funds supported by the State Government has also been considered.

A total of 19 States/UTs in Category A and 12 States/UTs in Category B have participated in this Action Point.

ACTION POINT 18: Number of programs undertaken to connect Startups with private funds or investors.

In this Action Point, States/UTs government initiatives which offer platform for Startups connecting them with investors or investor networks during the period of consideration have been assessed.

A total of 19 States/UTs in Category A and 10 States/UTs in Category B have participated in this Action Point.

6.5.2 Analysis of Scores

The Reform Area on Funding Support saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 6.9 for Category A States / UTs and 3.9 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 13 and for Category B States/ UTs to be 12.

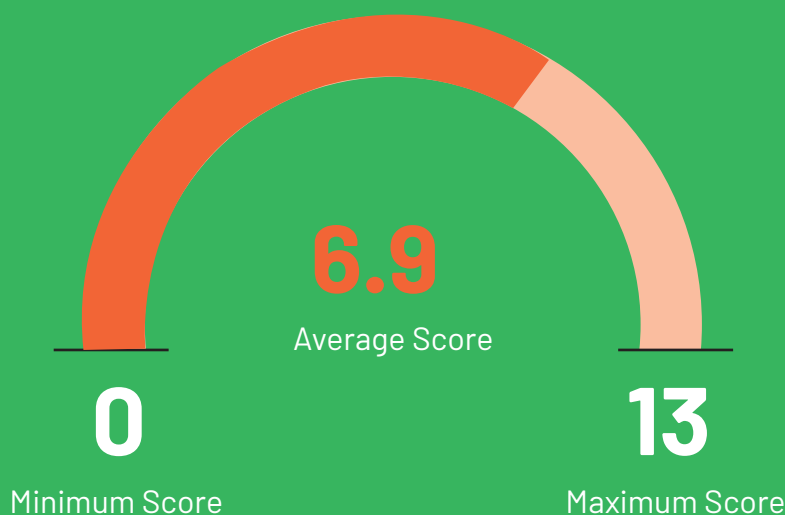


Figure : Category A - Analysis of Average score

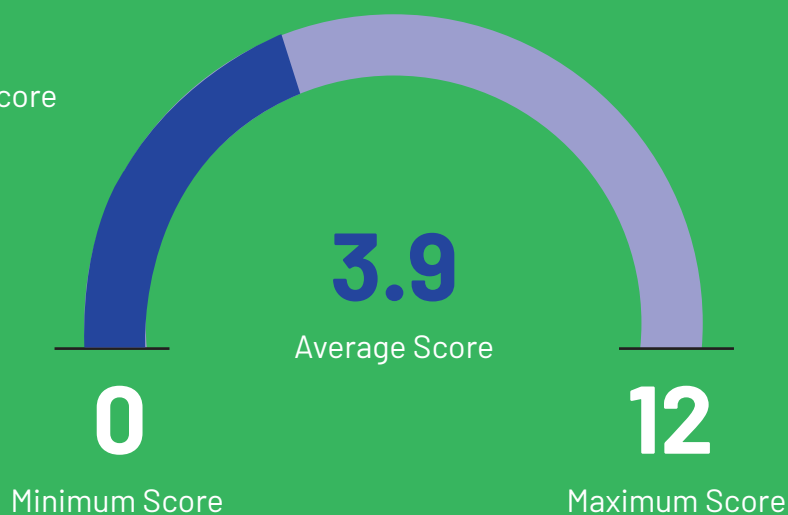
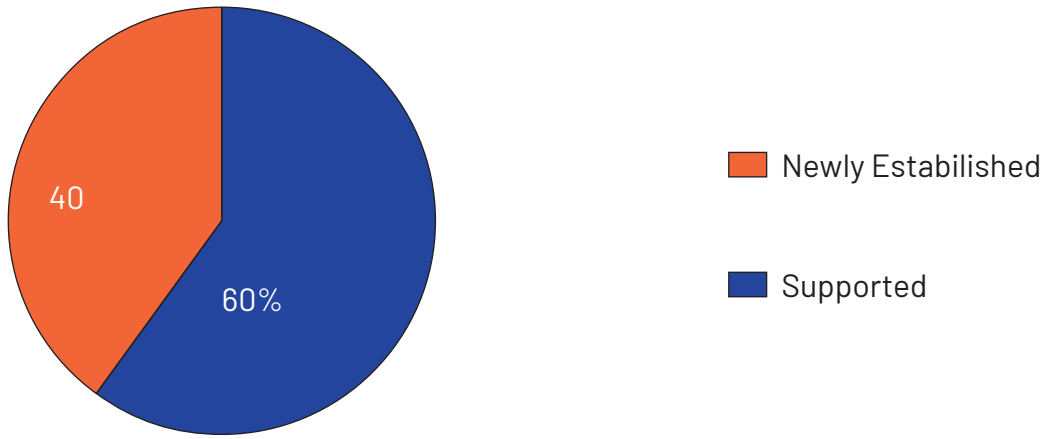


Figure : Category B - Analysis of Average score

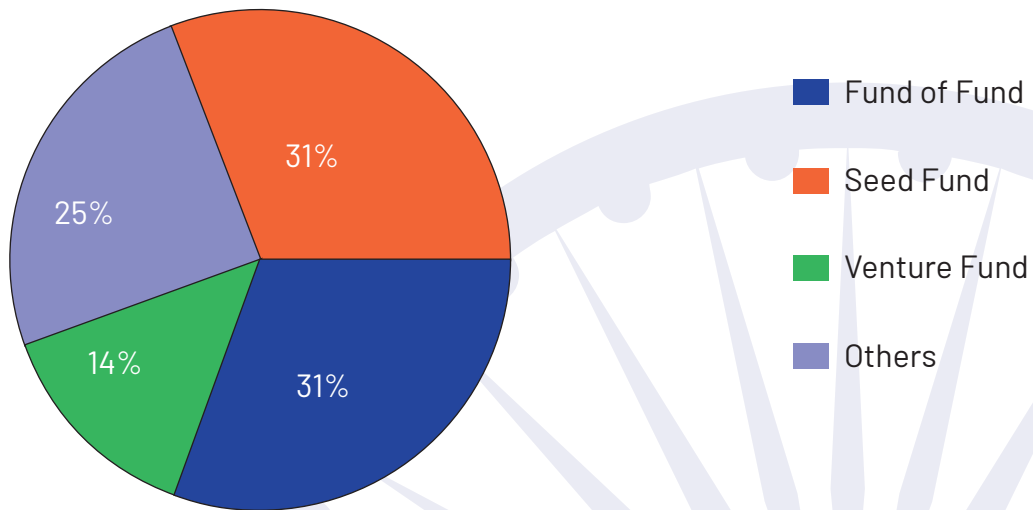
6.5.3 Action Point Wise Insights as per the Framework

Of the total funds established by States/UTs during the period of consideration, more than 30% have been set up by Category B States/UTs.



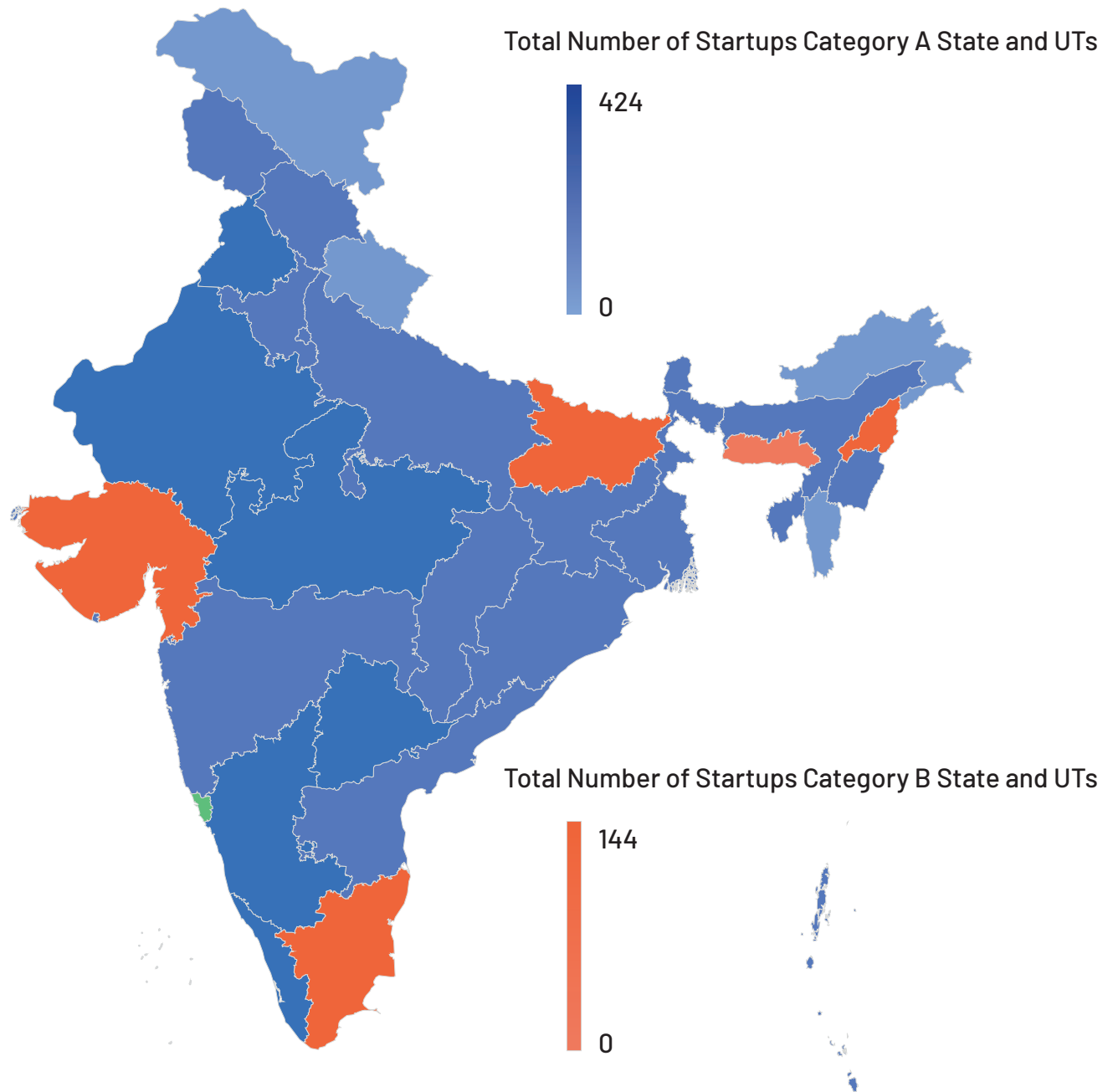
Proportion of Newly Established and Supported Funds

Fund of Funds and Seed funds were observed to be the most common among various type of funds established or supported, comprising of more than 60% of all funds.



Type of funds

The distribution of Startups which received funding through State/UT government mechanisms is mapped as below.



Distribution of Beneficiary Startups funded

The average amount of funds disbursed to Startups by the Category A and Category B States/UTs are close to **INR 30 L** and **INR 8 L** respectively.

On an average, seven programs in Category A States/UTs and five programs in Category B States/UTs were undertaken to connect Startups with private funds or investors. Average participation of the programs across Category A and B States/UTs was observed to be close to **15** Startups.

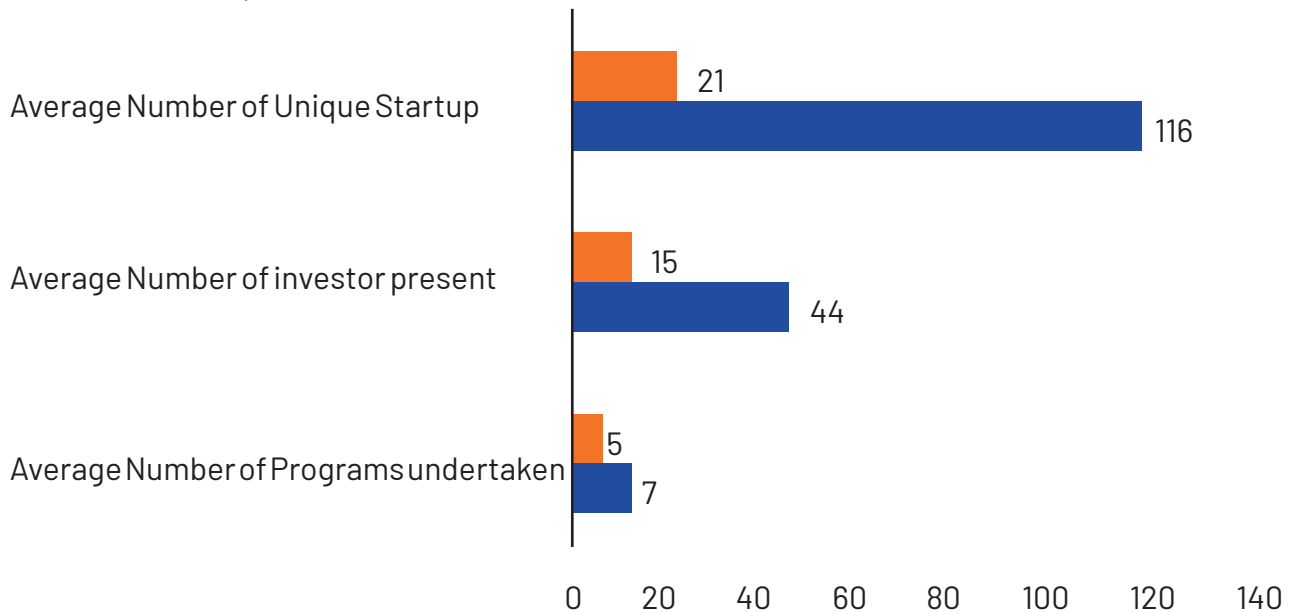
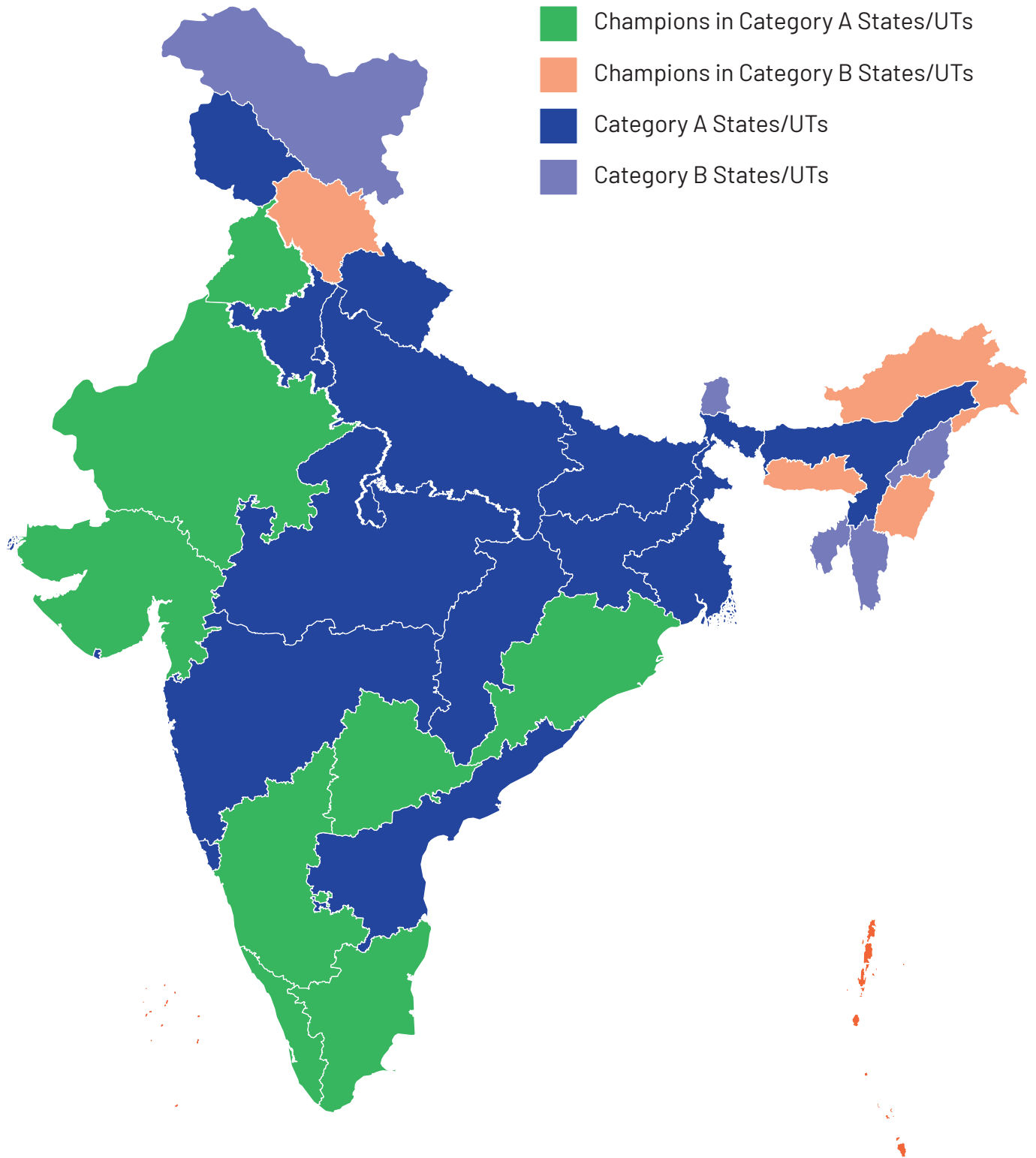


Chart 30: Average number of Programs, Investors and Startups

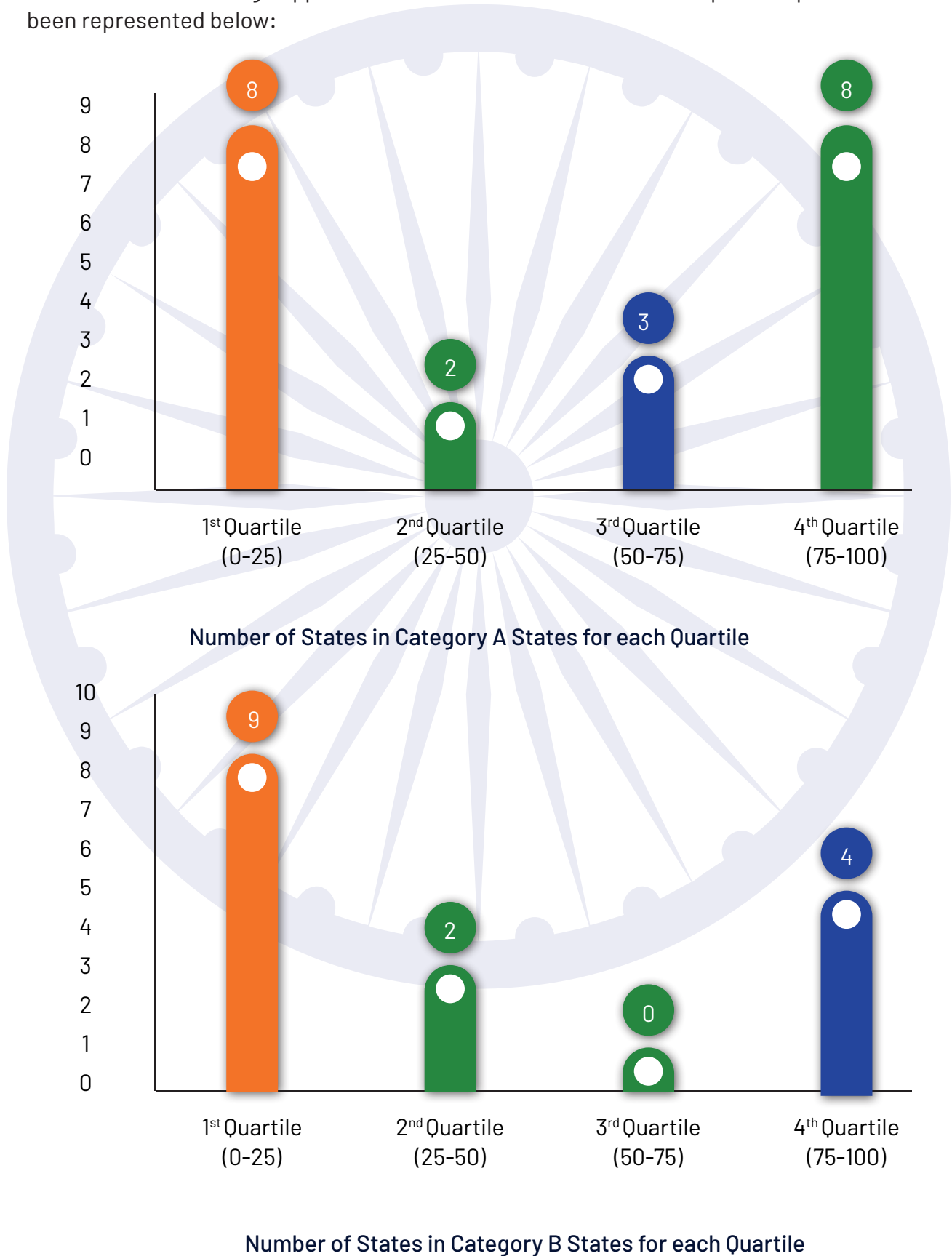


6.5.4 Champions of Funding Support



6.5.5 Performance Summary of Funding Support

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Funding Support, the number of States/UTs in the respective quartiles have been represented below:



6.6 REFORM AREA 6 CAPACITY BUILDING OF ENABLERS

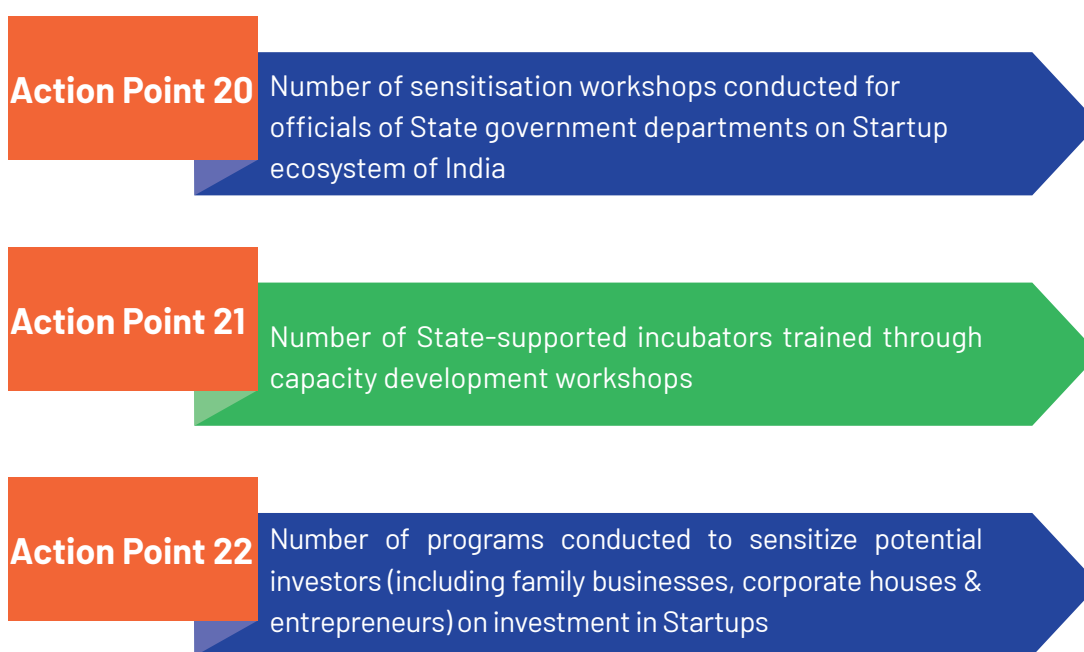
Overview of the Reform Area

Capacity building of key stakeholders and enablers is essential for driving the growth of the entire Startup ecosystem. It is vital to provide necessary information to the key ecosystem facilitators to enable Startups with the opportunity to contribute to Government initiatives.

This Reform Area assesses sensitization workshops, programs conducted for Government officials, and workshops conducted to train State-supported incubators. It also focuses on the capacity development of potential private investors to encourage local private investments.

This reform area encompasses three Action Points, all derived from the documentation furnished by the States/UTs.

Capacity Building of Enablers



Action Points of Capacity Building of Enablers



6.6.1 Participation Summary

The chart below provides a visual representation of participation by Indian States/UTs in this Reform Area.



Category-wise participation summary by States/UTs across Action Points

Key Insights for each Action Point under Incubation and Mentorship Support

ACTION POINT 20: Number of sensitisation workshops conducted for officials of State Government departments on Startup ecosystem of India

In this Action Point, sensitisation workshops conducted for Government officials of State/UT Government departments about Startup ecosystem have been assessed.

A total of 17 States/UTs under category A and nine States/UTs under category B have participated in this Action Point.

ACTION POINT 21: Number of State-supported incubators trained through capacity development workshops

In this Action Point, capacity development workshops for training managers or staff or teams of unique incubators supported by States/UTs have been assessed.

A total of 18 States/UTs under category A and seven States/UTs under category B have participated in this Action Point.

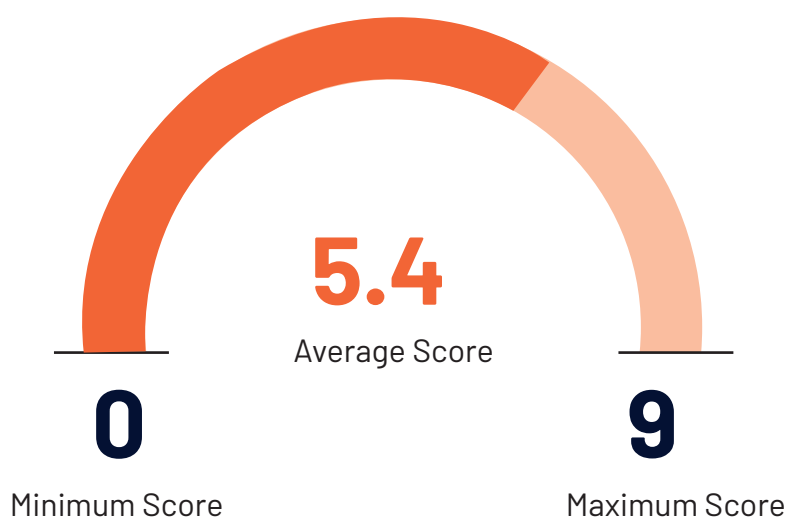
ACTION POINT 22: Number of programs conducted to sensitize potential investors(including family businesses, corporate houses & entrepreneurs) on investment in Startups

In this Action Point, programs by States/UTs to sensitise potential investors, including family businesses, corporate houses, small entrepreneurs, on potential of Startups as a lucrative asset class have been assessed. The aim is to build capacities of potential investors who want to deepen their experience in early-stage investing.

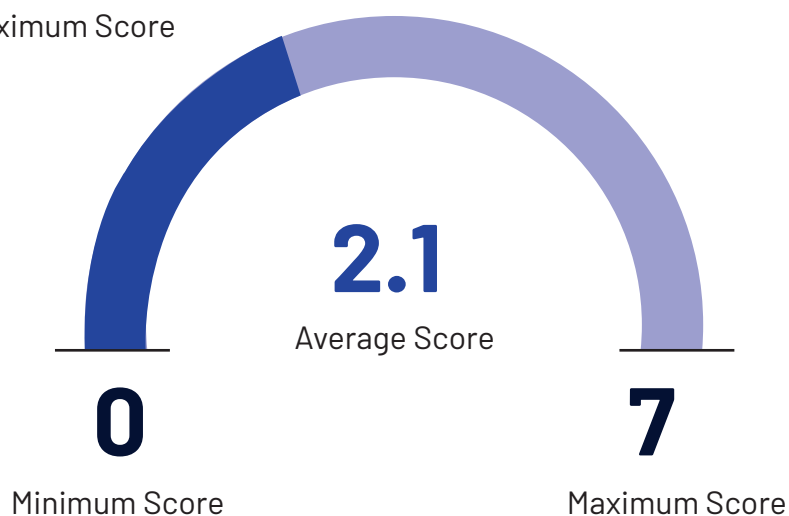
A total of 18 States/UTs under category A and 10 States/UTs under category B have participated in this Action Point.

6.6.2 Analysis of Scores

The Reform Area on Capacity Building of Enablers saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 5.4 for Category A States / UTs and 2.1 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 9 and for Category B States/ UTs to be 7.



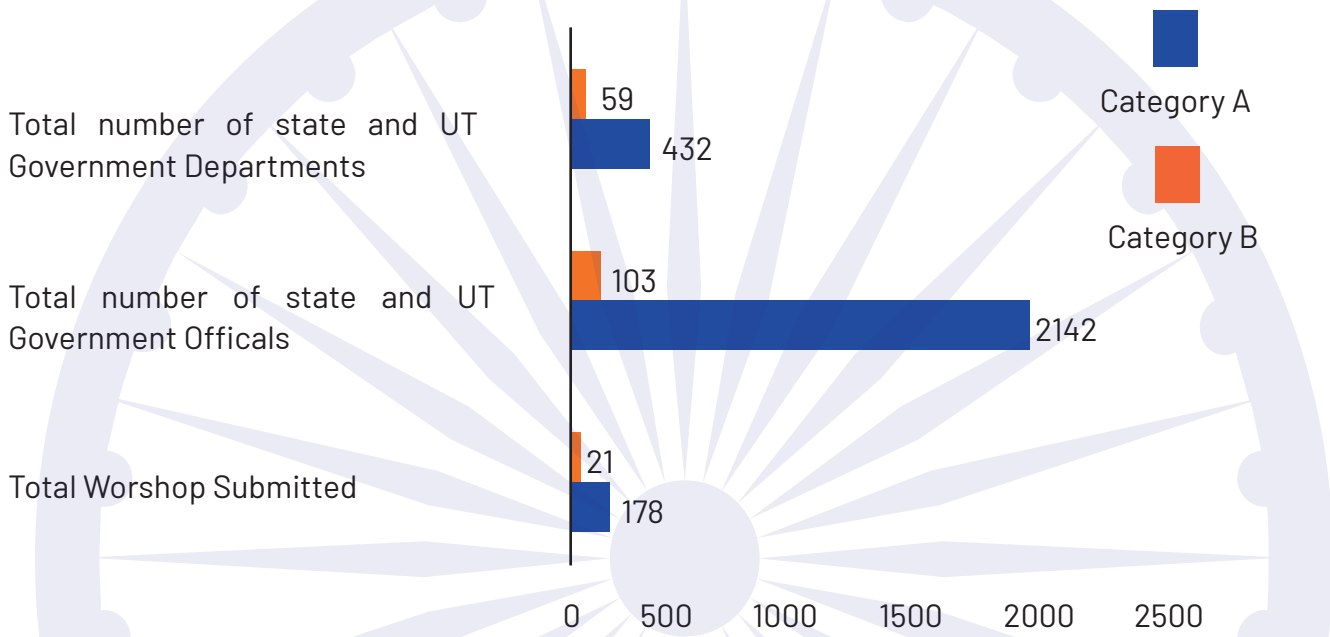
Category A- Analysis of Average score



Category B - Analysis of Average score

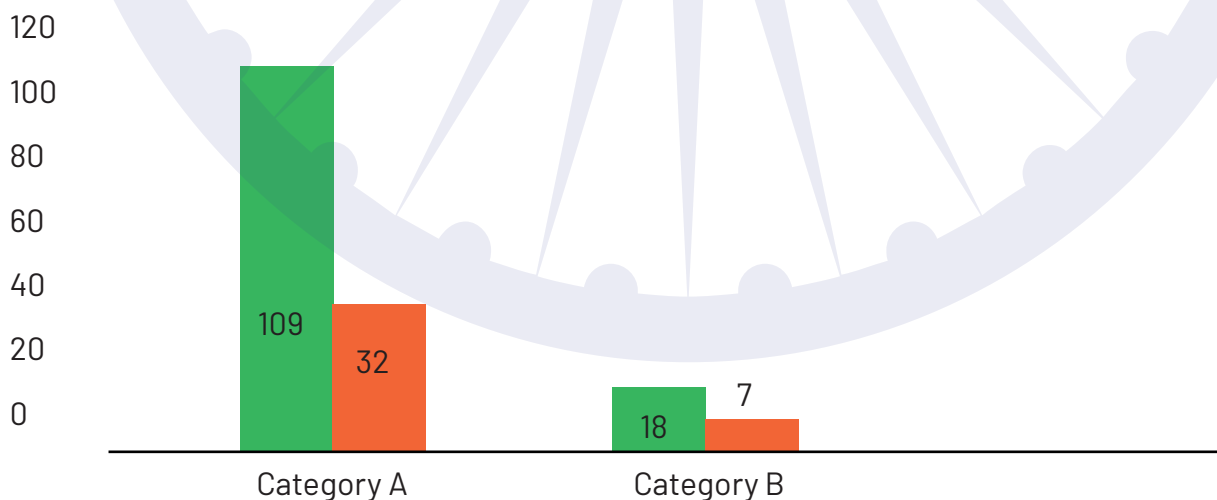
6.6.3 Action Point Wise Insights as per the Framework

As per the submissions by States/UTs, close to 200 workshops were conducted with participation of close to 2500 Government officials across close to 500 State/UT Government departments. The category-wise bifurcation is highlighted as below:



Number of workshops conducted, participating Govt. officials and Departments

More than 800 State-supported incubators participated in close to 130 workshops conducted by the participating State /UTs.



Category-wise workshops conducted, and average number of incubators participated

Based on the program details for sensitising potential investors submitted, average number of programs conducted per district of State/UT have been mapped as below.

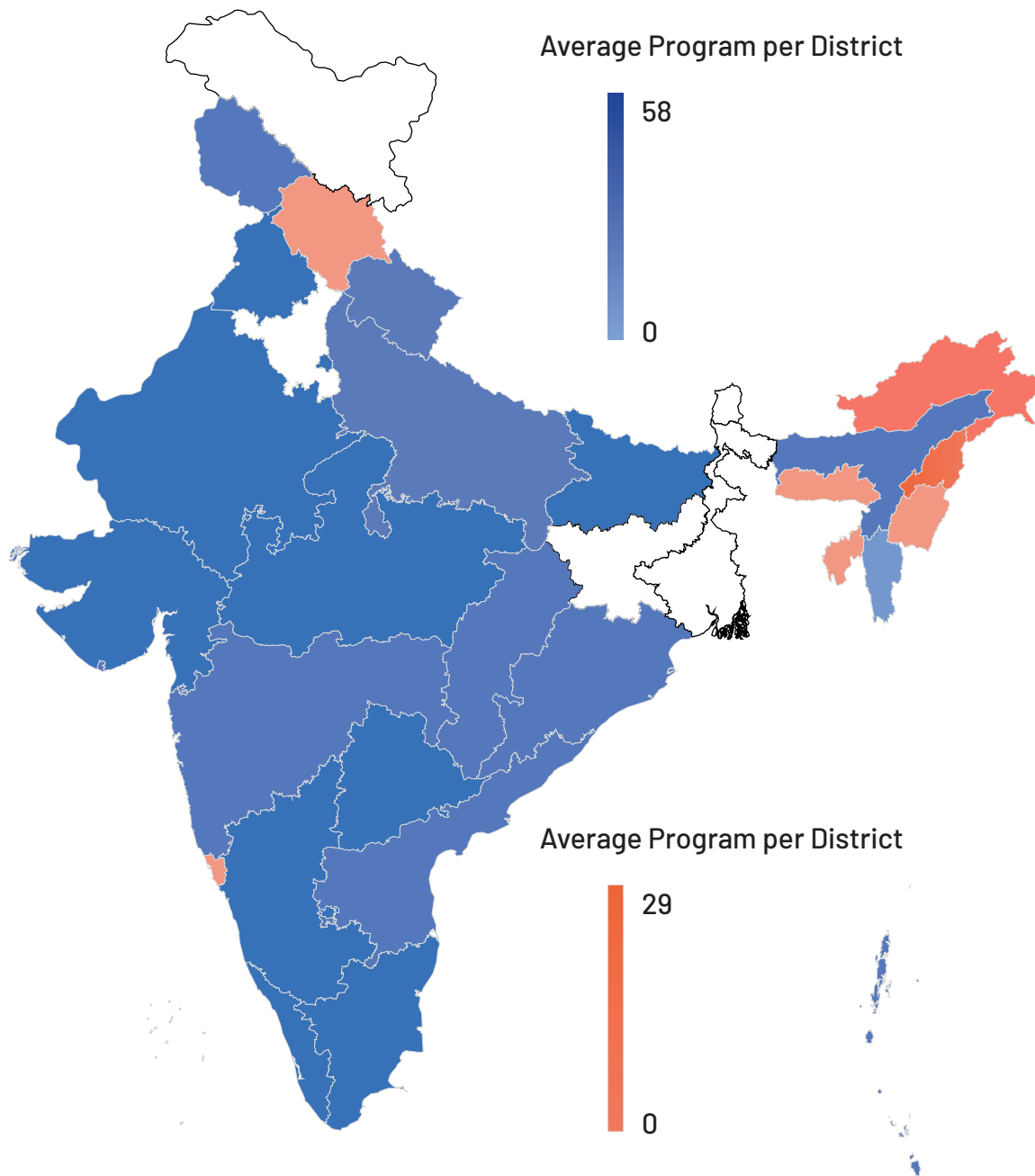


Chart 34: State-wise Distribution of average numberser of Programs per District of a State/UT

Based programs conducted for incubators, it was observed that 60% of the program for capacity building of Incubators were Knowledge based sessions.

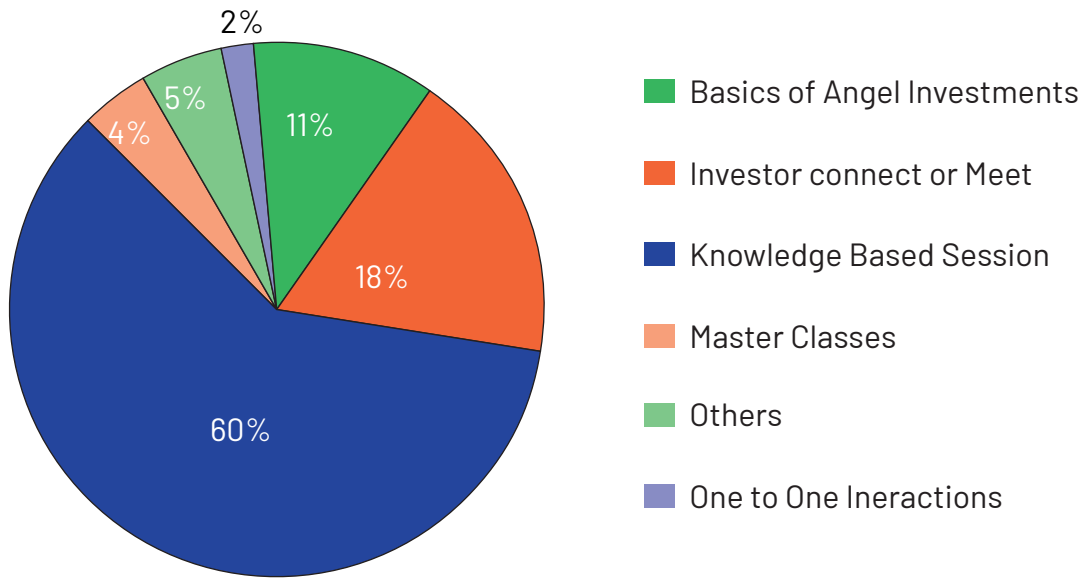
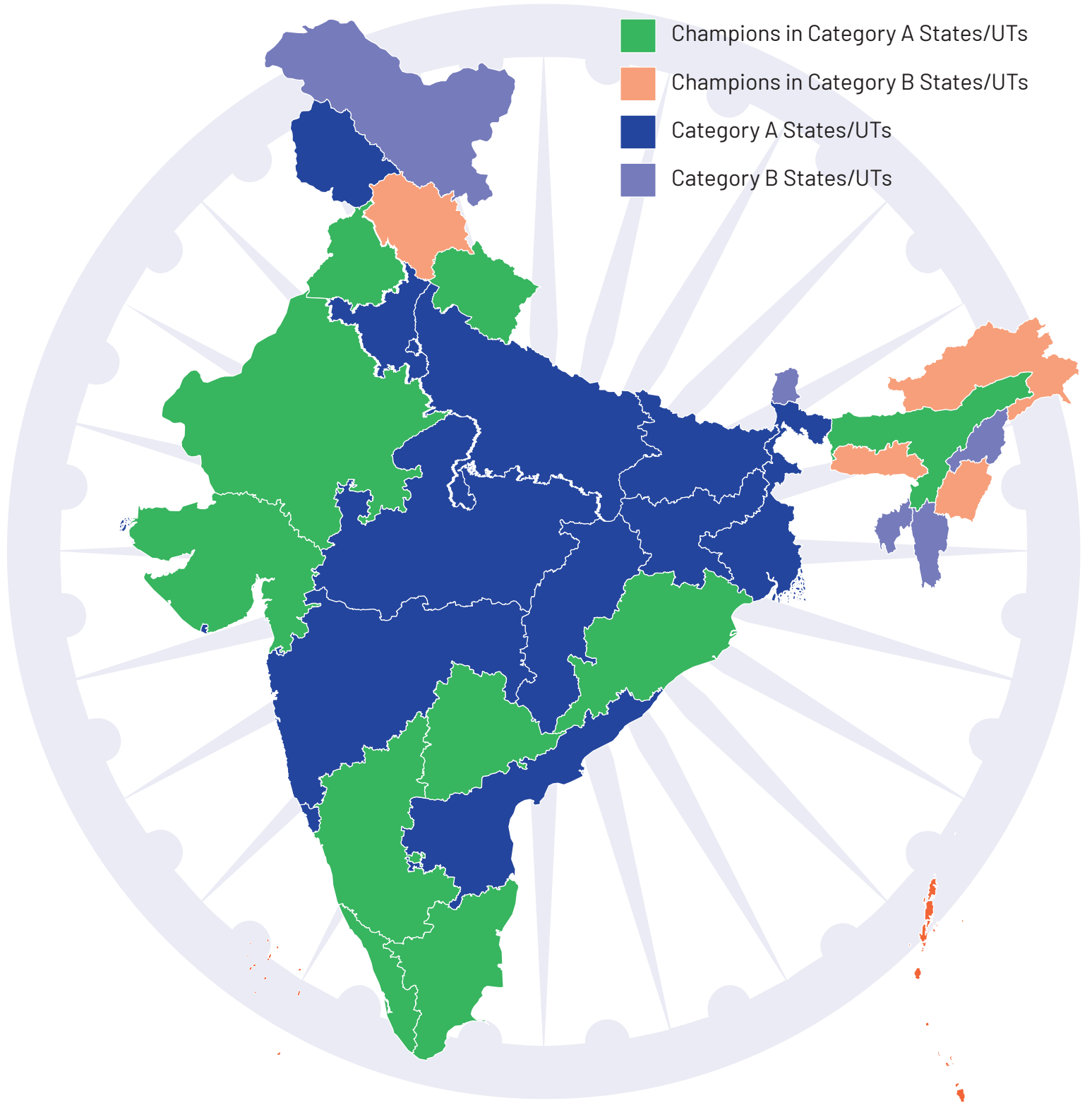


Chart 35: Type of Capacity building Program conducted for Incubators

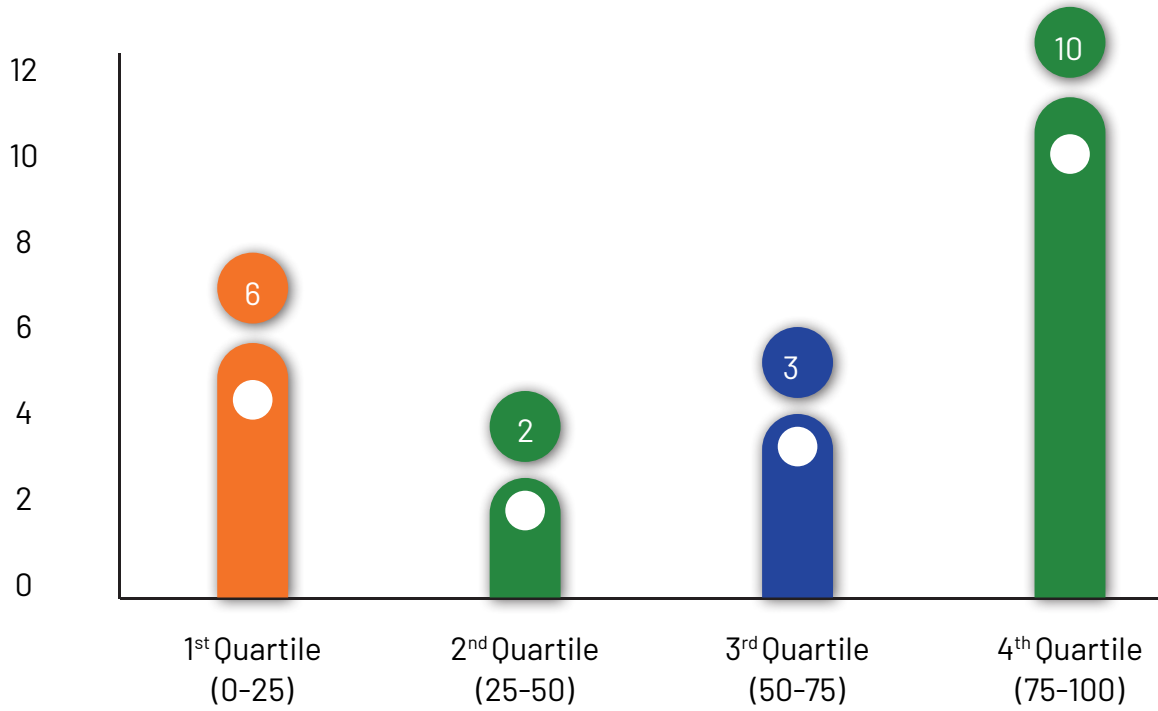


6.6.4 Champions of Capacity Building of Enablers

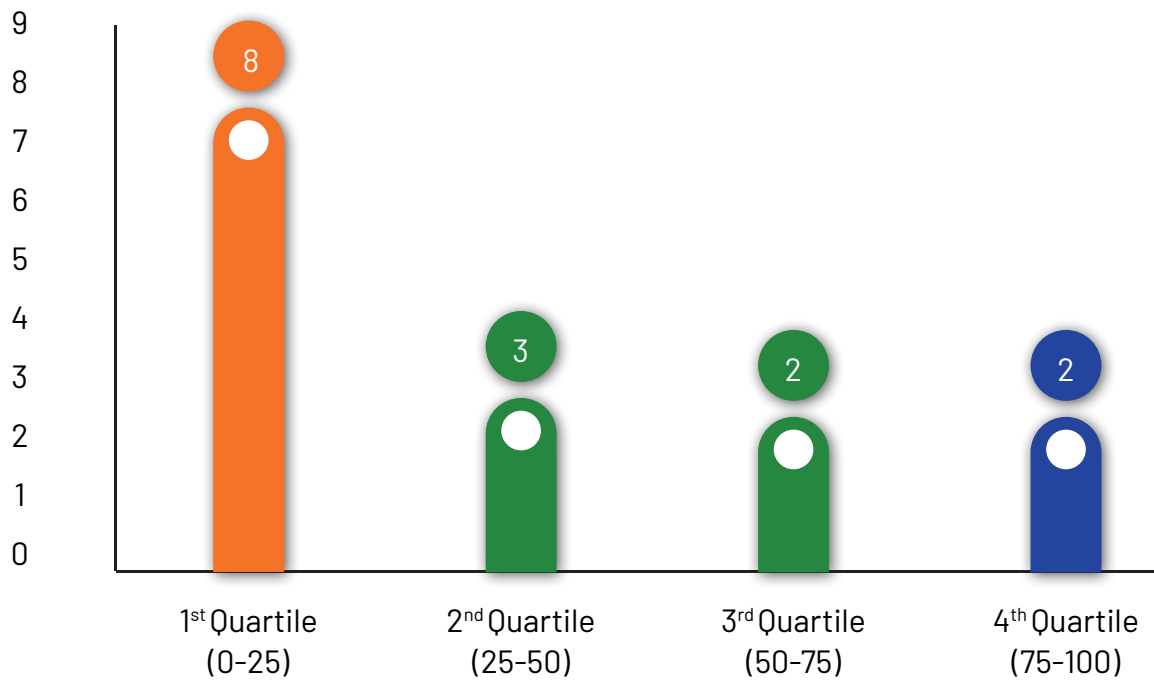


6.6.5 Performance Summary of Capacity Building of Enablers

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Capacity Building of Enablers, the number of States/UTs in the respective quartiles have been represented below:



Number of States in Category A States for each Quartile



Number of States in Category B States for each Quartile

6.7 REFORM AREA 7 ROADMAP TO A SUSTAINABLE

Overview of the Reform Area

Roadmap to a Sustainable Future sought to encourage the spirit of innovation in rural Startups, and at the same time focus on sectors like renewable energy, sustainability, and climate change with an emphasis given to Startups working on Circular Economy.

The aim is to steadily increase the number of Startups working in the space of renewable energy and sustainability and follow India's direction of attaining a more inclusive and greener world.

Roadmap to a Sustainable Future

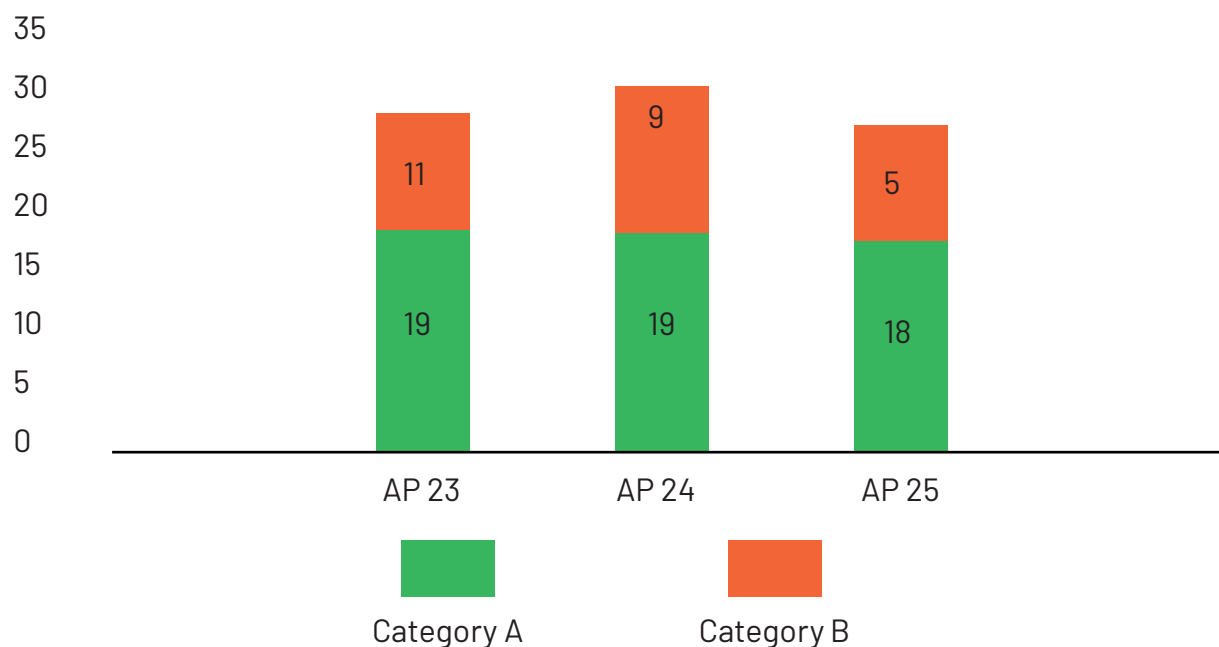


Action Points of Roadmap to Sustainable Future



6.7.1 Participation Summary

The Reform Area: Roadmap to a Sustainable Future witnessed significant participation from the various States/UTs. The chart below provides a visual representation of the States/UTs participation in this Reform Area.



Category-wise participation summary by States/UTs in all Action Points

ACTION POINT 23: Number of Startups with rural impact supported.

In this Action Point, the support by States/UTs to Startups creating rural impact has been assessed. Policy or scheme document which have Rural impact may include Startups generating employment opportunities, innovations focused on rural development or other such criteria.

A total of 19 States/UTs under Category A and 11 States/UTs under Category B have participated in this Action Point.

ACTION POINT 24: Startups working on sectors focussed on renewable energy, sustainability, and climate change

In this Action Point, the support by States/UTs to Startups in form of schemes or policies covering incentives for renewable energy, climate change and sustainability has been assessed.

A total of 19 States/UTs under Category A and nine States/UTs under Category B have participated in this Action Point.

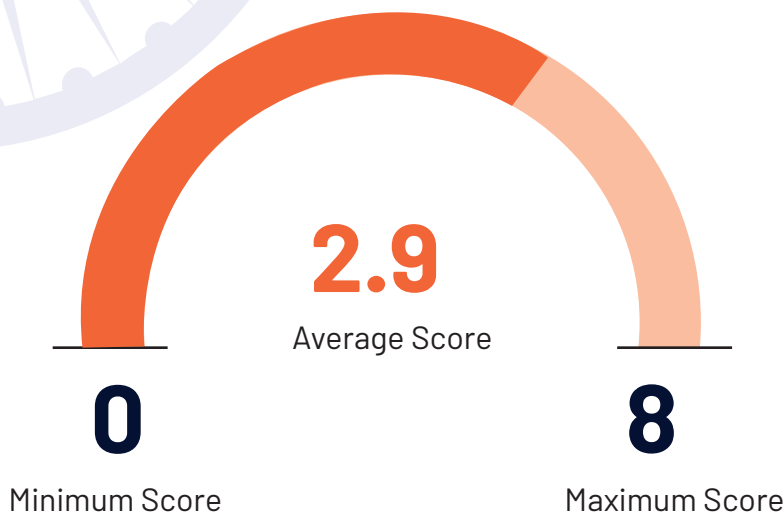
ACTION POINT 25: Active policies which support Startups working on Circular Economy

In this Action Point, the support by States/UTs to Startups in form of policies, acts and amendment related to circular economy has been assessed. The aim is to promote regulations, policies or procurement norms related to the four Rs of the Circular Economy (Reuse, Recycle, Reduce and Remove) and increase the demand for sustainability related products in the market.

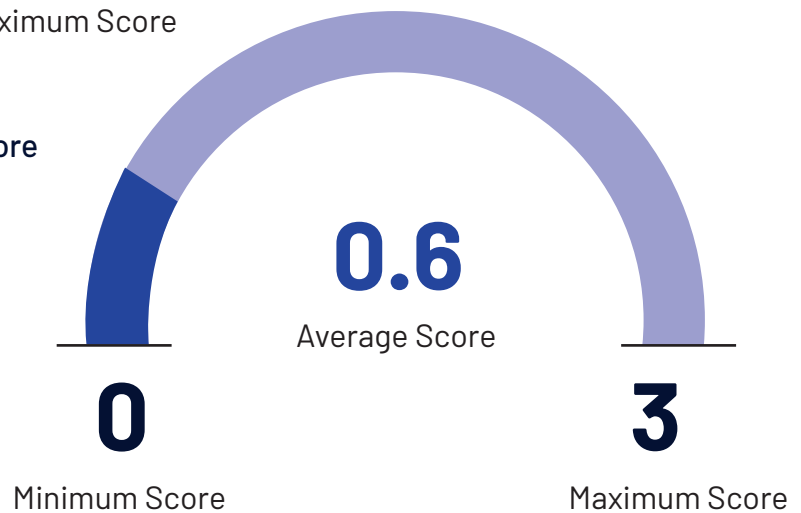
A total of 18 States/UTs under Category A and five States/UTs under Category B have participated in this Action Point.

6.7.2 Analysis of Scores

The Reform Area on Roadmap to a Sustainable Future saw enthusiastic participation from the States/ UTs. As per the assessment, the category-wise average scores of this Reform Area stand at 2.9 for Category A States / UTs and 0.6 for the Category B States / UTs. The maximum score for Category A States/ UTs was observed to be 8 and for Category B States/ UTs to be 3.



Category A - Analysis of Average score



Category B - Analysis of Average score

6.7.3 Action Point Wise Insights as per the framework

More than **17,000** Startups with rural impact have been provided with support and incentives in Category A States/UTs. In Category B States/UTs more than 5,000 Startups with rural impact were provided with support and incentives.

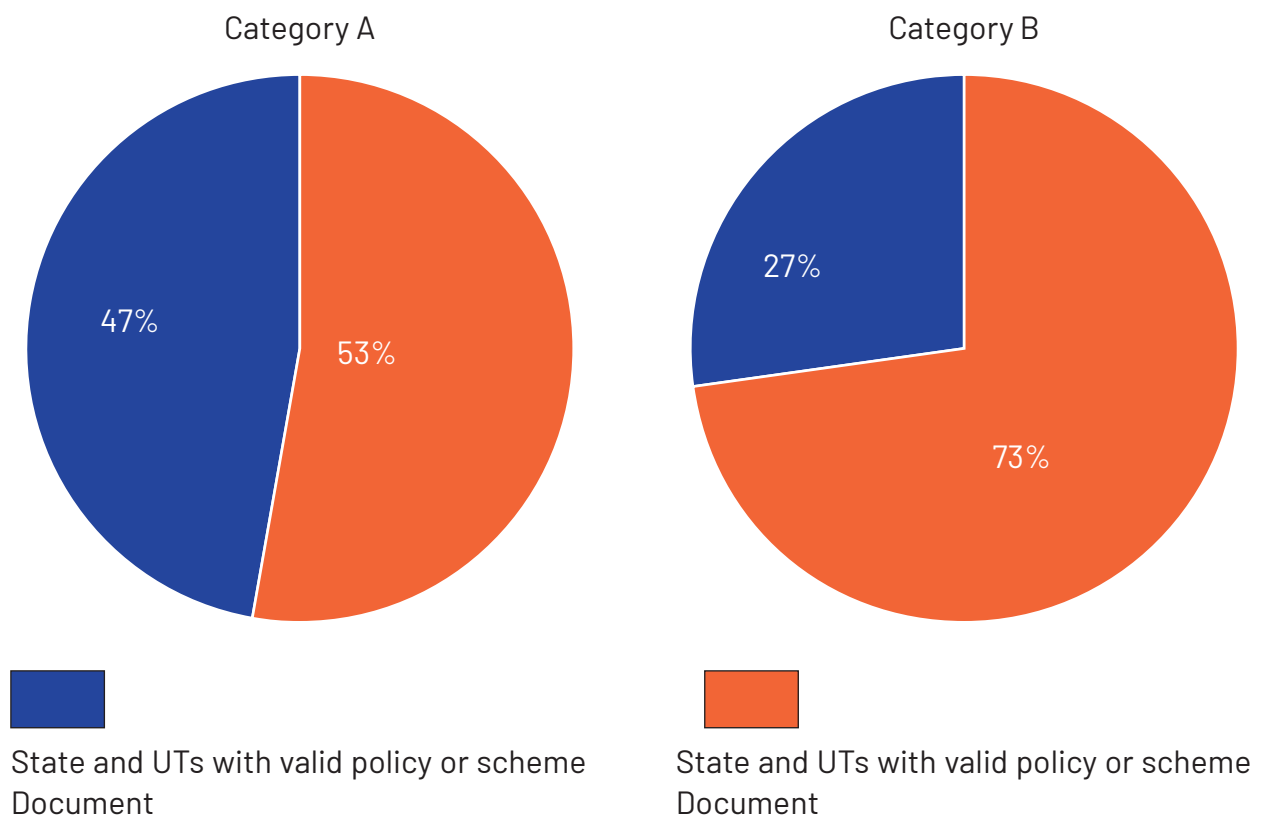
The breakup of States/UTs with policies or schemes covering incentives for Startups with rural impact across Category A and B is visualised below.

Close to 50% States/UTs from Category A have submitted policies and scheme documents for consideration under the Action Point 23.

More than 25% States/UTs from Category B States/UTs have submitted policies and scheme documents for consideration under the Action Point 23.

Almost all of the policies and schemes have been supported with a clear definition of Startups with rural or grassroots impact enabling clear identification of beneficiaries.

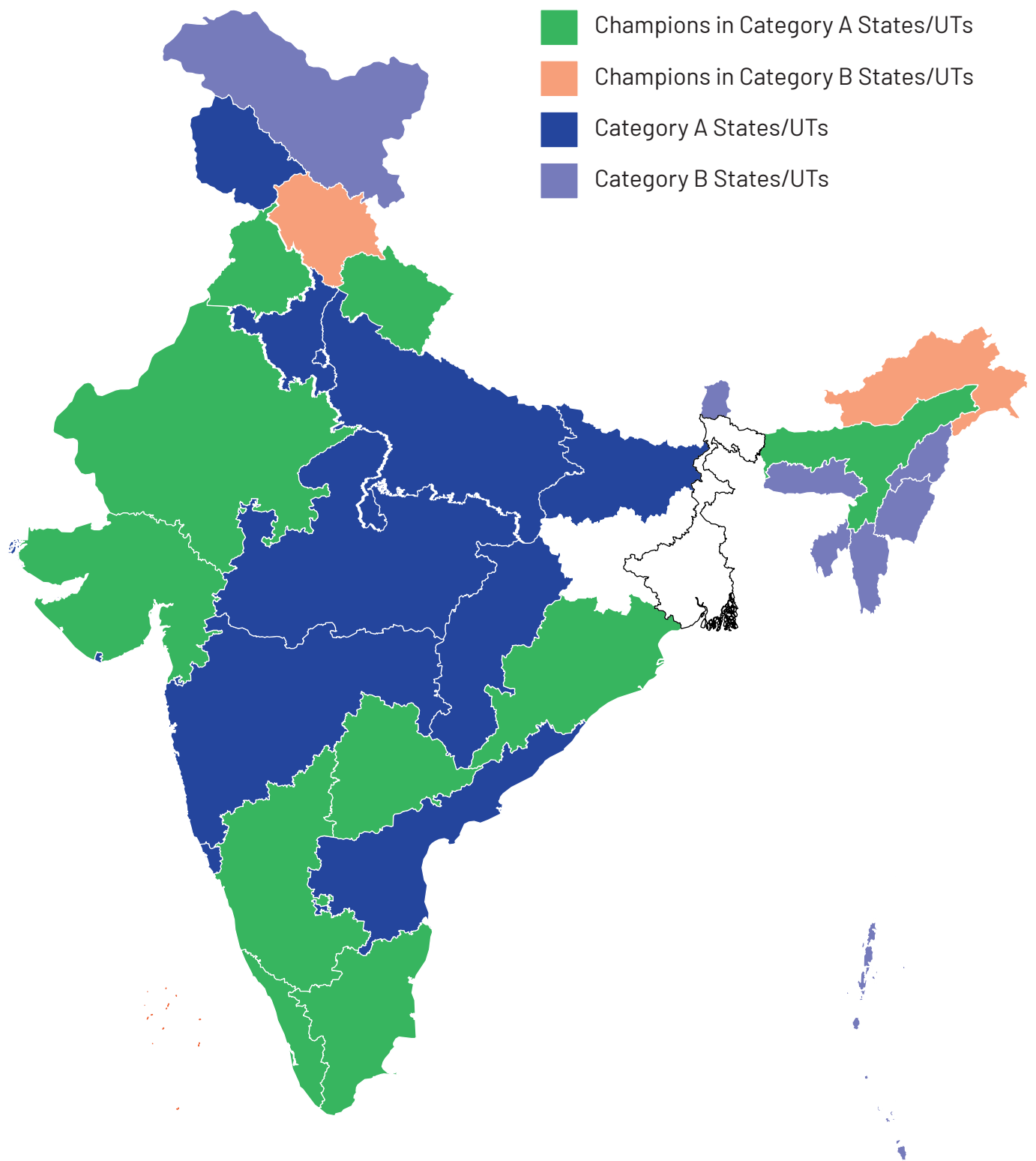
On an average close to 60 unique Startups in Category A and more than 15 Startups in Category B focused on renewable energy and climate change have been supported by States/UTs. More than 60% of the support to Startups related to circular economy have been in form of fiscal support.



Category wise Rural impact Policies of States/UTs

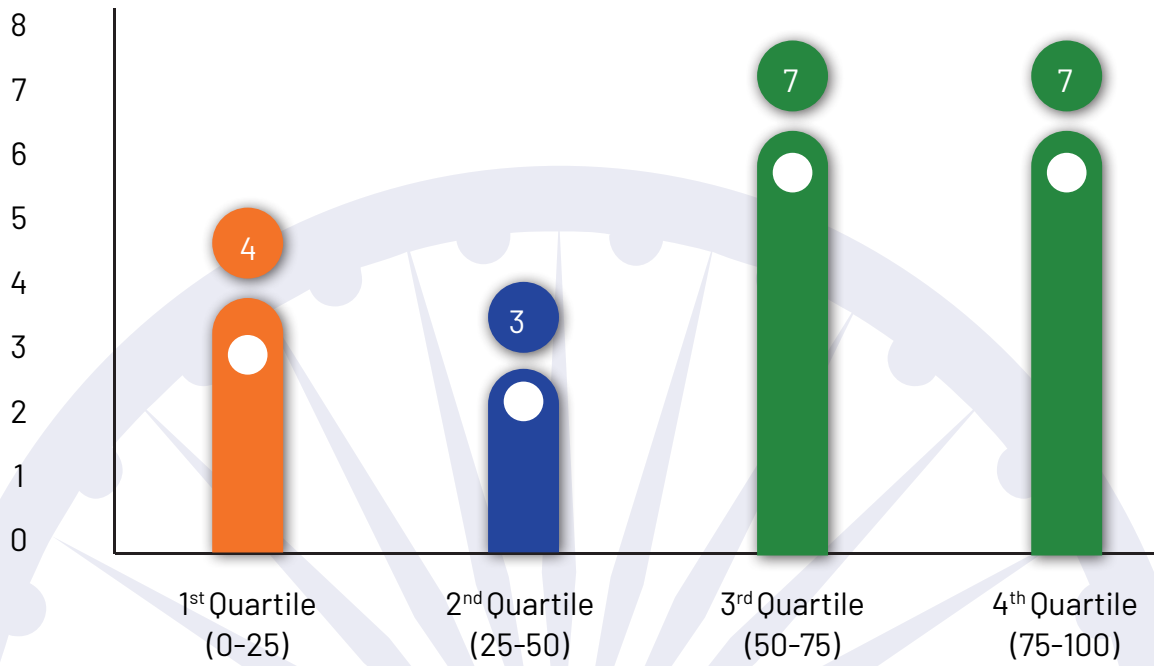


6.7.4 Champions of Roadmap to a Sustainable Future

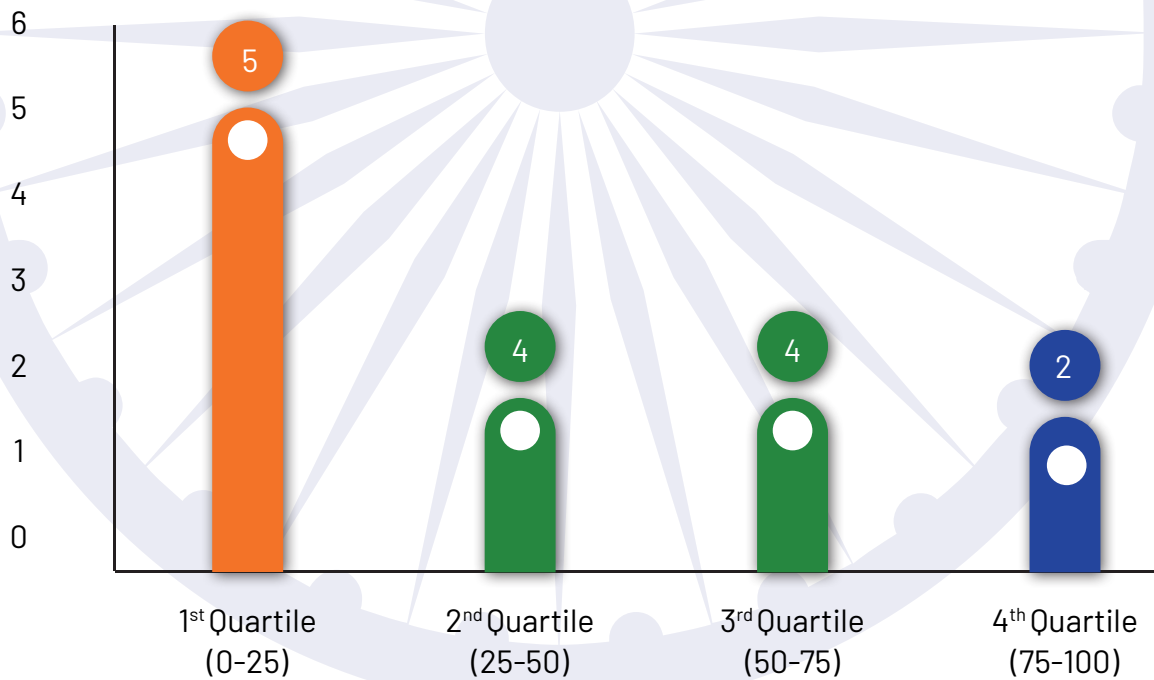


6.7.5 Performance Summary of Roadmap to a Sustainable Future

Based on the performance of States and UTs in terms of their respective scores in the Reform Area of Roadmap to a Sustainable Future, the number of States/UTs in the respective quartiles have been represented below:



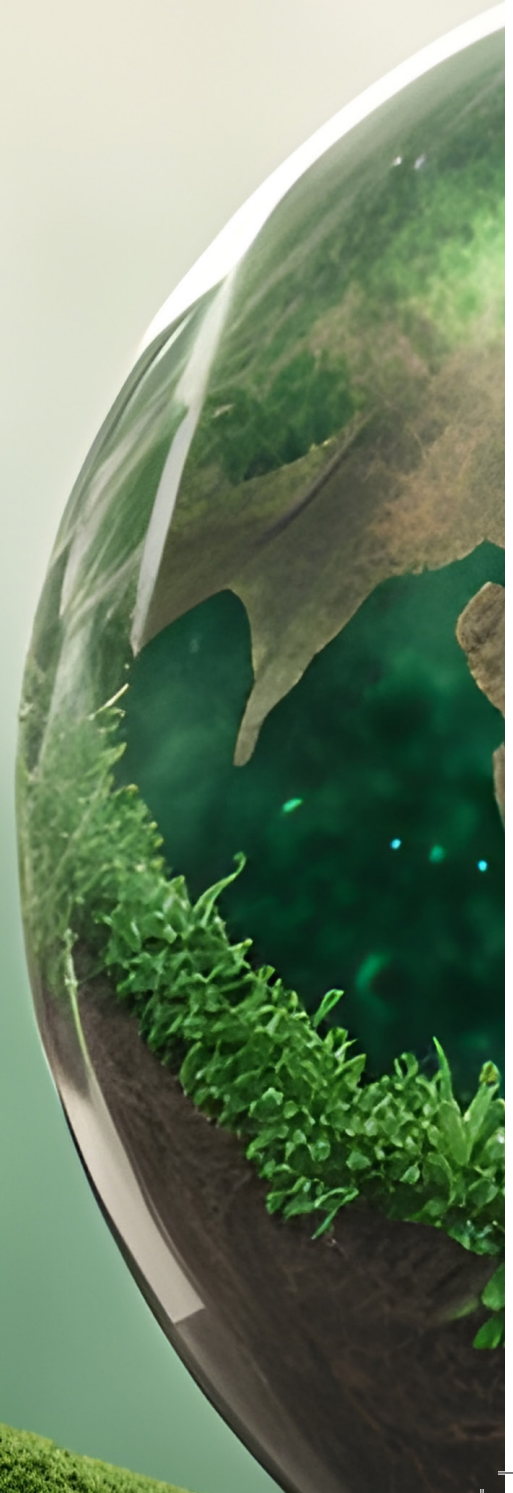
Number of States in Category A in each Quartile



Number of States in Category B in each Quartile

07

FEEDBACK ANALYSIS



7.1 Background and purpose of the feedback collection

States' Startup Ranking Exercise is a unique effort to raise awareness about the Startup ecosystem and associated policies among entrepreneurs. As a part of this exercise Feedback has been undertaken with ecosystem enablers. These feedbacks were virtual and in person along with surveys as a mode of measuring ecosystem enablers satisfaction and identify valuable insight of how beneficiaries and stakeholders perceive the system.

With the 360-degree view feedback, focus is on comprehensive perspective, contributing to the strategic enhancement of policies and initiatives supporting innovation and entrepreneurship. These methods allow researchers to derive holistic and reliable conclusions, offering a more complete understanding of the subject under investigation.

The 4th edition of SRF 2022 constitutes qualitative and quantitative feedback collection where the quantitative feedback forms a part of state evaluation and scored as part of the framework while the qualitative feedback received for each state were not scored but gained insights into the states' Startup ecosystem.

The extensive feedback exercise was undertaken across multiple cities in the country covering more than 10000 beneficiaries in 9 languages and qualitative in-depth interviews to understand their awareness levels concerning various policies and initiatives undertaken within the program framework.

Key Stakeholders:

This exercise covering a wide spectrum of stakeholders including government representatives and the beneficiaries in the form of the following:

State Nodal Department/Agency

The State Nodal officers were interviewed for gleaning insights into the experiences of state nodal officers in establishing policies for institutional Startup support.

Startups

The Startups aimed to uncover the real impact of state Startup policies and initiatives on individual Startups.

Accelerators

The accelerators were to examine the success criteria of accelerator programs, focusing on key performance indicators and differentiators.

Incubators

The central focus of the incubators were to investigate the selection process, facilities, and offerings of incubators, seeking insights into their standout features.

Investors

Investors in Startup Ecosystem were the fund raiser and facilitators for setting up of Startups in the country. The focus of investors is on conversions and growth trajectory.

Importance of both quantitative and qualitative feedback is to reach across all segments and focus on aligning stakeholders' objectives to foster a thriving Startup ecosystem. This feedback collection aimed to provide a nuanced understanding of challenges, successes, and potential improvements while highlighting the collaborative efforts between state entities, Startups, accelerators, and incubators and investors.

7.2 Quantitative Feedback Collection

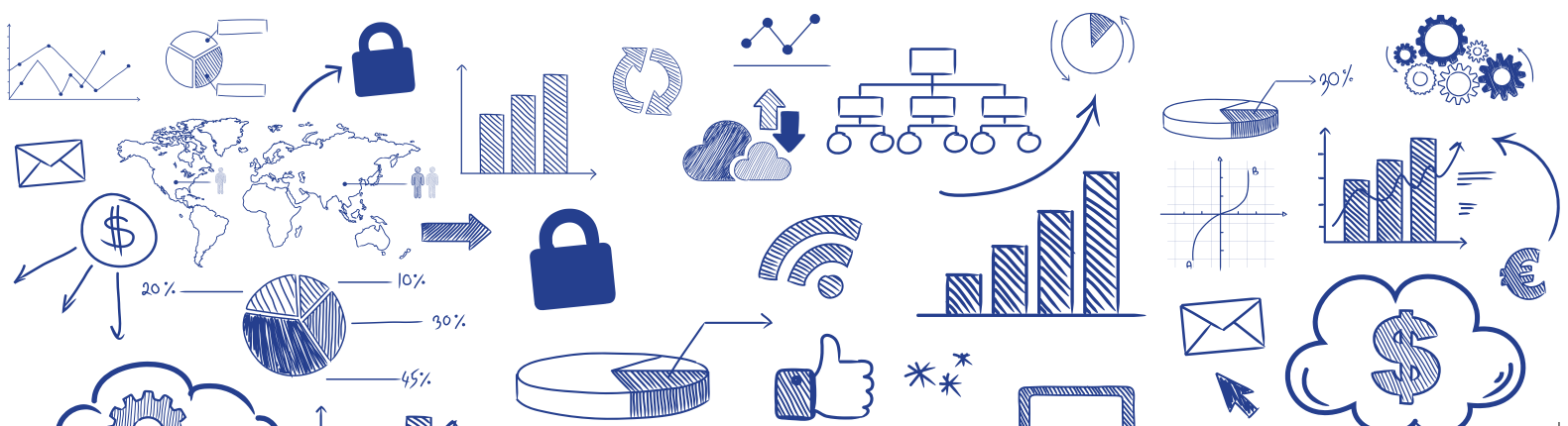
Quantitative Feedback involves the collection and analysis of measurable data through numerical values and statistical methods, ensuring a precise assessment to unveil patterns, correlations, and trends—a robust basis for data-driven decision-making.

The exercise saw participation of 18 states & UTs for feedback collection exercise. The results of this feedback collection exercise used for scoring participant states in States' Startup Ranking Exercise 2022. The feedback was collected from all the 33 States & UTs participating in the States' Startup Ranking Exercise with documentary evidence submitted. This feedback collection account for 15% of the total scoring in the exercise.

Feedback was collected from more than 10,000 beneficiaries with a maximum of 5 attempts made to each beneficiary number across 9 different languages – English, Hindi, Tamil, Telugu, Malayalam, Marathi, Bengali, Odisha and Gujarati.

Process for Quantitative Feedback Collection

Mentioned below was the protocol followed by an executive to ensure accurate and high-quality feedback with efficiently and ease.



Modes of Feedback Collection: Two modes of Feedback Collection

1. Telephonic Survey: A survey conducted where the respondent provides authentication and was comfortable with sharing insights and suggestions.
2. Online Questionnaire: An online questionnaire was shared with all beneficiaries by Startup India with OTP authentication to maintain confidentiality.

The questions were split into two categories: Awareness based questions and questions for state beneficiaries

Awareness based questions were administered to the DPIIT recognized Startups submitted within the period of consideration of all 33 states and UTs that participated in the States' Startup Ranking Exercise. Beneficiary questions were addressed to 18 states & UTs, that have submitted the beneficiary data as a part of the exercise.

In order to conduct the survey, details (including but not limited to Startup name, founder name, name of state) was shared. CATI team conducted telephonic feedback sessions to obtain more detailed and qualitative insights from the Startups.

Awareness based Questions:

- Are you aware of the Startup policy in your State/UT?
- Do you know about the grievance portal or helpline for Startups in your State/UT?
- Do you know about the Government procurement opportunities provided by your State/UT for Startups?
- Do you know about any mentorship support provided within your State/UT?
- Are you aware of any acceleration program supported by the state/UT government?
- Do you know about the funding schemes and benefits provided by your State/UT?
- Do you know of any sectoral policies dedicated to Startups in your state?

Beneficiary questions:

- Did you attend any pitching session/networking event/workshop?
- Have you availed any special benefits or incentives from the State/UT? If yes, what type of incentive have you received?
 - a Funding
 - b Incubation & Mentorship
 - c Market Access
 - d Procurement

This comprehensive approach aimed to gather a holistic view of the Startup ecosystem in each state for ranking.

35000+

Calls to Feedback Providers

79000+

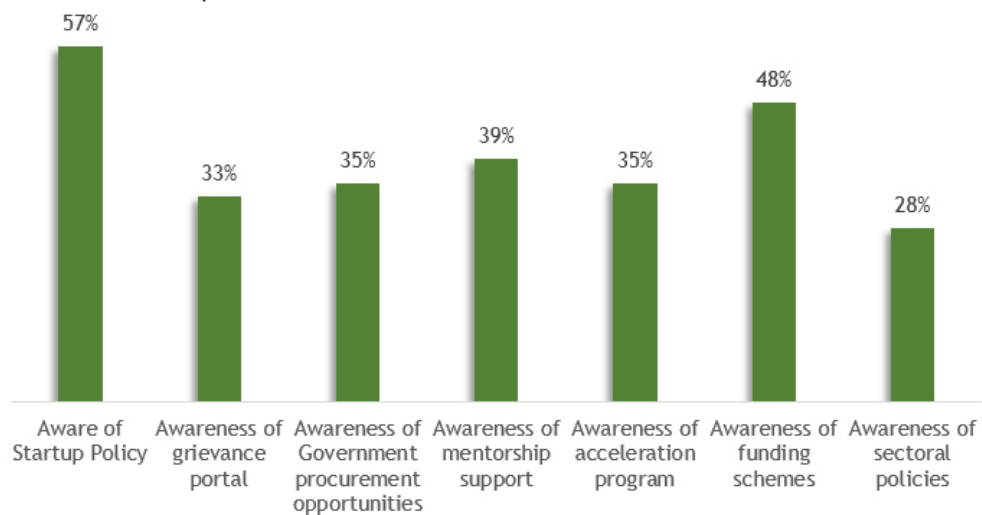
SMS to Feedback Providers

72000+

Email to Feedback Providers

While doing Quantitative feedback to check the awareness level, the questions were asked on Telephone or thought online questionnaire and the key findings are:

- State Startup Policies: Startup policy enabled an innovation-based economy and foster an entrepreneurial spirit across the State. Overall, 57% of the Startups are aware of the Startup policy concerning their respective states.
- Grievance Redressal/ Helpline: Only 1/3rd of the Startups is aware of the grievance portal/ helpline number for Startups.
- Public Procurement Process: 35% of the Startups are aware of the Government procurement opportunities that are provided by the respective states.
- Mentorship support: 39% of the Startups are aware of the mentorship support provided by the respective states.
- Startup accelerators programs: 35% of the Startups are aware of the acceleration program supported by the respective states.
- Funding schemes: 48% of the Startups are aware of the funding schemes and benefits provided by respective states.
- Startup Sectoral Policies: 28% of the Startups are aware of the sectoral policies dedicated to Startups.



Calculation of Final Scoring

Scoring across each Action Points with Feedback: 50% positive feedback resulted in acceptance of the number of claimed beneficiaries. Where positive feedback is less than 50%, claimed beneficiaries have been considered to be zero and no score has been awarded.

7.3 Qualitative Feedback Collection

Qualitative data serves to comprehend occurrences, situations, and their underlying meanings, adding a 'why' dimension to objective information. Despite its linguistic nuances and subjectivity, it offers breadth, depth, and context to inquiries, though analysis can be more intricate than with quantitative data.

In order to conduct, Quantitative research initially database of Startups, incubators, and state nodal officers was generated to conduct the in-depth interviews, appointment emails were sent and appoints time slot booked for the interview. Finally, in-depth interviews were conducted with the respective stakeholders. These stakeholders are Nodal Officers, Incubators, Accelerators and Startups.

Highlights of the Ecosystem Enablers

1. SRF Exercise is an ongoing continuous evaluation, adaptation, and collaboration that contribute to a more resilient and thriving Startup landscape in the States/ UTs.
2. Job creation is seen across different sectors from deep tech to craft setups, impacting various skill sets.
3. Revenue outcomes are diverse with Startups in deep tech sectors generating revenues ranging from 50 lakhs to 2 crores during incubation.
4. Leveraging support from incubation centers for product development, navigating processes, and obtaining necessary approvals.
5. Collaborated with universities, incubation centers, and networking events to enhance market reach and establish connection with them.
6. Managed financial challenges through personal loans, external support, and persistent efforts to resolve regulatory issues.

The experience of give significant contributions in various aspects emphasizing the crucial role of such stronger Startup ecosystem in country fostering growth. In the dynamic changing Startup ecosystem, we must focus on:

1. Continuous Capacity-Building: Emphasize the necessity of ongoing capacity-building programs to keep stakeholders updated and aligned with the evolving needs of the Startup ecosystem. Encourage interstate collaboration for knowledge exchange.
2. Government Facilitation and Coordination: Recognize and highlight the pivotal role of state governments in facilitating support and fostering coordination among various departments to create a conducive environment for Startups.

3. **Comprehensive Impact Assessments:** Stress the importance of planning and conducting comprehensive impact assessments to measure the success and contributions of various initiatives, providing a foundation for informed decision-making and future improvements.
4. **Direct Funding:** Provide provision for direct funding from agencies to Startups, bypassing the complexities of bank loan and expedite the fund allocation process to incubation centers for quicker support to Startups

Understanding the gap between the State/ UTs policies and stakeholder together, qualitative, and quantitative research create a comprehensive and well-rounded approach to understanding complex phenomena through richer storytelling. Further, to gauge the effectiveness of feedback mechanism, there will be strategic plan that will focus on scaling up Startups, improved market access and branding, cohesive technology adoption, interactive capacity building sessions and frequent feedbacks for providing valuable insights for future planning.





08

**IMPACT
ASSESSMENT
OF STATES'**

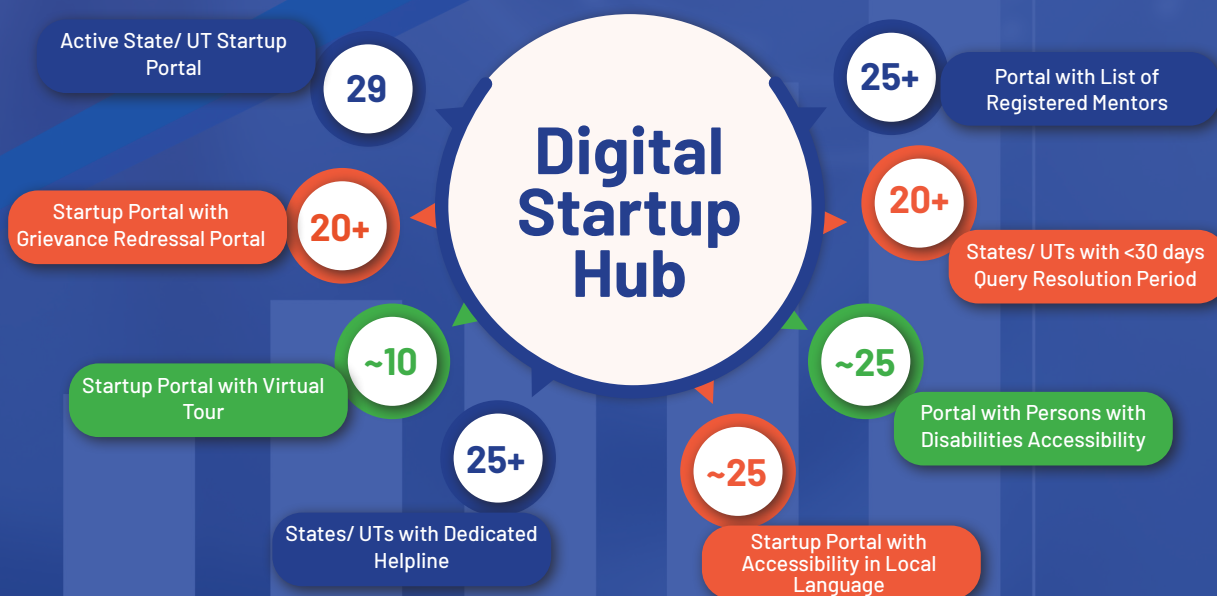
**Startup RANKING
EXERCISE**

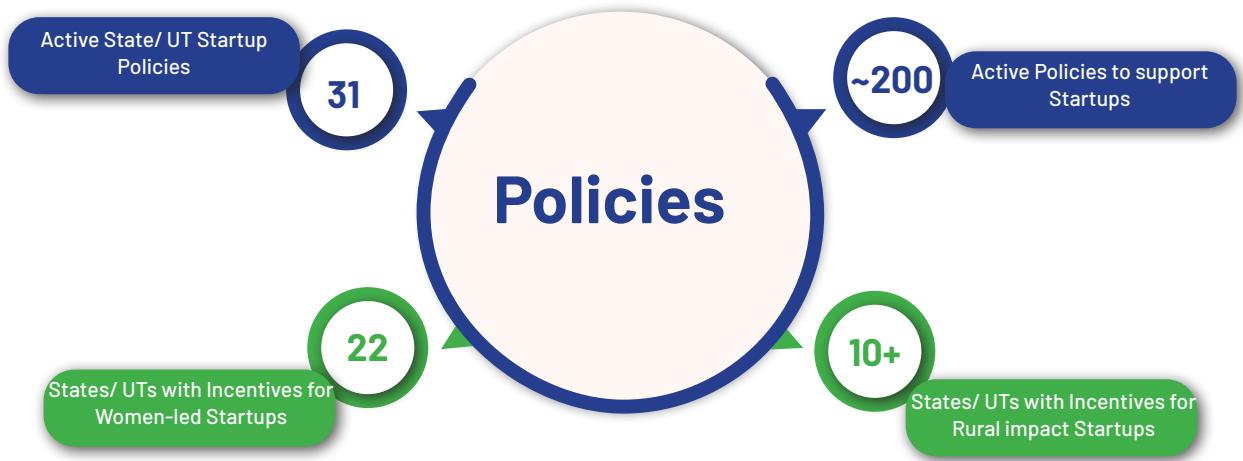


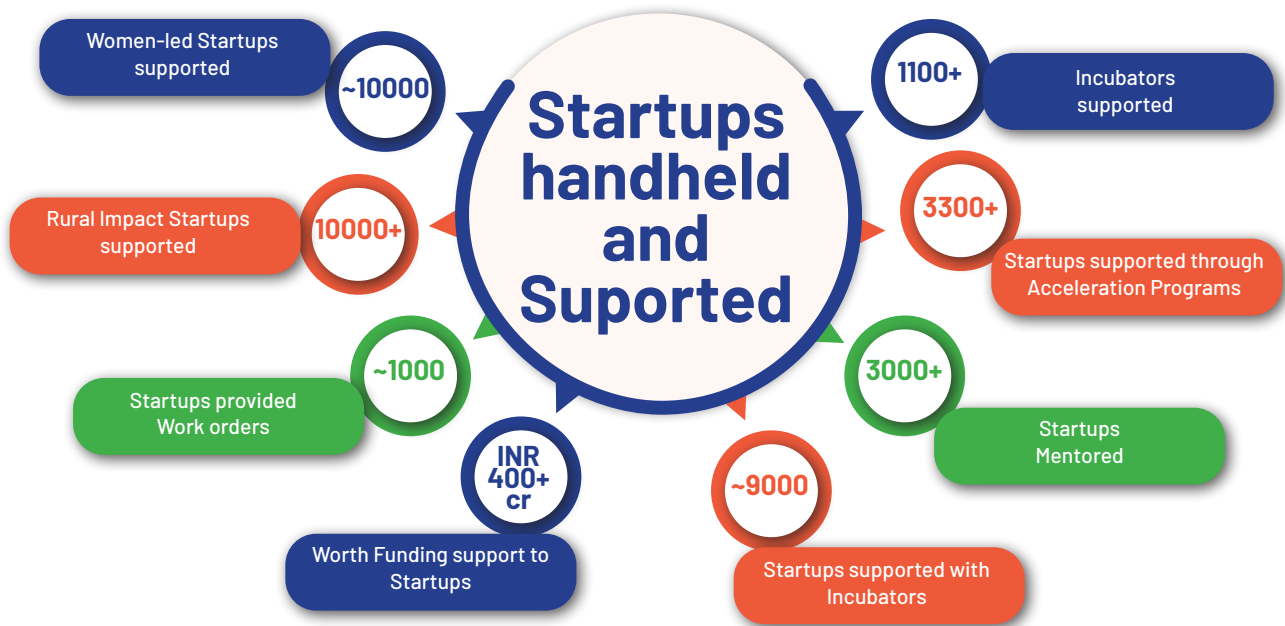
States' Startup Ranking Exercise 2022 has highlighted the performance of participating States/UTs under specific Reform Areas. Through this Exercise, 33 States/UTs have shown the growth in Startup ecosystems. All many States/UTs are advancing towards developing favourable environments for nurturing Startups, many areas of the ecosystem still have scope for improvement.

7.1 Key Impact Figures of SRF 2022

Based on the submissions of the States/UTs, it has been observed that there has been an increase in the engagement of the ecosystem stakeholders. The achievement of the Startup ecosystem has been showcased by the impact figures below.







09

**WAY
AHEAD**



The Government of India has been steadfast in its commitment to promoting the Startup ecosystem in the country aided by the Startup India Initiative and Startup hubs across central ministries and departments. Some of the other initiatives highlighting this commitment are the National Deep Tech Startup Policy, the Drone Shakti Program and custom duty exemptions for EV-related capital goods and machinery.

The active and continuous collaboration between Central and State / UT governments have spearheaded the Indian Startup Ecosystem towards growth and maturity. This journey is highlighted by the fact that the average years from first funding to IPO has come down from 9.9 years in 2022 to 9.4 years in 2023 and average years from Series A to Unicorn round has come down from 5.4 years in 2022 to 4.2 years in 2023.

Indian Startup ecosystem has evolved over the last eight years with almost all States / UTs playing an active role as enablers. 31 State / UTs have an active Startup policy and close to 30 States / UTs have developed a Startup portal which acts as a digital hub for Startups and all ecosystem players. Going forward, the goal would be to maintain consistency of the progress made until now, and also increase facilitation and development of dedicated Startup policies and portals in the remaining States and UTs.

The ecosystem has also become inclusive with Startups being nurtured in close to 670 districts and nearly 50% of Indian Startups being led by women. Inclusivity would continue to remain central to further growth of the State Startup ecosystems duly reflected in the scoring weightage to districts in SRF 2022 and upcoming SRF 2023.

Young entrepreneurs have also been a focus of the government initiatives as is evident from the States Ranking Framework across editions. The Government of India as well as States / UTs have established various mechanisms to galvanise young minds through initiatives such as Atal Tinkering Lab at central level and hackathons, challenges as well as funds (Student Tinkering Fund in Meghalaya) at state level.

Going forward, more such initiatives including funding mechanisms may be being explored to nurture these young entrepreneurs.

Government funding for Startups in India is constantly growing with States and UTs establishing Fund of Funds, Venture as well as Seed funding. These efforts complement the support provided to the early-stage Startups by the Startup India Seed Fund Scheme. While the Fund of funds do involve Alternate Investment Funds to channel the fund to Startups, further collaboration with banks and other financial institutions may be explored going forward to offer support such as working capital incentives, interest subventions and so on.

Incubators have been a critical building block of the Startup ecosystem. As per the submission for SRF 2022, there are more than 1000 state supported incubators in the country in addition to the private incubators. The incubators cover close to 35% of the districts of the country acting as an innovation hub of the country. States / UTs are constantly establishing new incubators and upgrading the existing ones to expand the reach of incubators beyond 50% of the districts in the country.

Based on the promising performances of States / UTs across some of the SRF Reform Areas over the years, subsequent framework has been consolidated and recategorized, introducing new metrics of growth for the Startup ecosystems. These metrics include mapping of ecosystem enablers from private sector, focus on priority sectors, Environment Social & Governance (ESG) factors and collaboration with international stakeholders.

Private Sector Mapping:

The Government and private sector has been working together to create a supportive environment for entrepreneurs. Private investment in Startups has been on the rise with a significant number of venture capital firms and angel investors actively funding and supporting Startups. Therefore, the role of private stakeholders such as Incubators, Investment Firms, Venture Capital Firms, Accelerators, Academic Institutions among others have been crucial in the growth of Startup ecosystems. Mapping the private sector involvement would help shift Government focus towards further collaboration with them in the effort to scale up the ecosystem.

Focus on Priority Sectors and ESG:

A Priority Sector can be identified as a sector within a State / UT that is considered the strength of that respective State / UT. The identification of the same is likely to provide an impetus to develop that specific sector(s) for the development of the Startup economy of the state.

Sustainable Development Goals and Agenda 2030 are crucial targets for all economies of the world. The role of Startups in problem solving towards attaining these goals is a critical one. The focus of State / UT governments on ESG sector would help address these challenges of sustainable economic growth with the help of Startups and innovators.

³³PIB, Year End Review - 2021 for DPIIT

³⁴Global Innovation Index 2023

Collaboration with International Stakeholders:

International collaboration and knowledge exchange especially, to promote bilateral and multilateral research as well as innovation activities have been identified as pivotal to sustained growth of innovation. International bridges and MoUs offer a great platform for Startups to explore other international ecosystems, technologies, and markets. The SRF Reports and the frameworks have consistently encouraged States / UTs to collaborate with international stakeholders. The upcoming SRF intends to formalise the same as a scoring metric as well.

Indian ecosystem has a vision of creating a collaborative culture of innovation across every region and socioeconomic group in the country. As the governance machinery across the country works towards this ambition, we look ahead to a year of exceptional growth in India's Startup story.



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ABBREVIATIONS

Ag- Hub - Agricultural Hub

AI- Artificial Intelligence

AIM- Atal Innovation Mission

API- Application Programming Interface

ASEAN- Association of Southeast Asian Nations

B20- Business20

BRICS- Brazil, Russia, India, China, and South Africa

CAGR- Compound annual growth rate

CGSS- Credit Guarantee Scheme for Startups

D&N- Haveli- Dadar and Nagar Haveli

DPI- Digital Public Infrastructure

DPIIT- Department for Promotion of Industry and Internal Trade

ECs- Evaluation Committees

EMD - Earnest Money Deposit

ESG- Environment Social & Governance

EV- Electric Vehicle

FFS- Fund of Funds for Startups

FoF- Funds of Funds

GeM- Government e Marketplace

GIAN- Grassroots Innovations Augmentation Network

Gol- Government of India

G20- Group of 20

HEIs- Higher Education Institutions

IDEX- Innovations for Defence Excellence

IIMA- Indian Institute of Management Ahmedabad

INR- Indian Rupee

IoT- Internet of Things

IPO- Initial Public Offering

LVPEI- L.V. Prasad Eye Institute

MEs- Micro Enterprises

MoCI- Ministry of Commerce and Industry

MSMEs- Ministry of Micro, Small & Medium Enterprises
MoU- Memorandum of Understanding
NBFCs- Non-Banking Financial Companies
NITI- National Institution for Transforming India
NSA- National Startup Awards
OTP- One Time Password
PE- Private Equity
PLI - Production Linked Incentive
PM- Prime Minister
PRIME- Promotion and Incubation of Market-driven Enterprises
PRISM- Promoting Innovations in Individuals, Start-ups and MSMEs
PSEs- Public Sector Enterprises
PWD- Public Works Department
RICH- Research and Innovation Circle of Hyderabad
SCO- Shanghai Cooperation Organisation
SEBI - Securities and Exchange Board of India
SISFS- Startup India Seed Fund Scheme
SMEs- Small and Medium-sized Enterprises
SRF- Startup Ranking Framework
SRISTI- Society for Research and Initiatives for Sustainable Technologies and Institutions
TSIC- Telangana State Innovation Cell
T-WORKS- An initiative of the Government of Telangana
UNIDO- United Nations Industrial Development Organization
UPI- Unified Payments Interface
USA- United States of America
UTs- Union Territories
VC - Venture Capital
VDFs- Venture Debt Funds
WAIPA- World Association of Investment Promotion Agencies
YoY- Year-over-yea



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