



5<sup>th</sup> Edition

# States' Startup Ecosystem Ranking Andaman & Nicobar Islands

Aspiring Leader





# Table of Contents

|   |           |
|---|-----------|
| <b>About the UT</b>   | <b>04</b> |
| <b>UT Startup Policies and Initiatives</b>                      | <b>05</b> |
| UT Startup Policies   |           |
| <b>UTs' Startup Ecosystem Ranking Results</b>                   | <b>07</b> |
| <b>Reform Area 1 - Institutional Support</b>                    | <b>08</b> |
| Introduction  |           |
| Performance   |           |
| <b>Reform Area 2 - Infrastructure Support</b>                   | <b>10</b> |
| Introduction  |           |
| Performance   |           |
| <b>Reform Area 3 – Funding Opportunities</b>                    | <b>11</b> |
| Introduction  |           |
| Performance   |           |
| <b>Reform Area 4 – Market Access &amp; Reach</b>                | <b>12</b> |
| Introduction  |           |
| Performance   |           |
| <b>Reform Area 5 – Ecosystem Capacity Building</b>              | <b>13</b> |
| Introduction  |           |
| Performance   |           |
| <b>Reform Area 6 – Focus on Innovation &amp; Sustainability</b> | <b>15</b> |
| Introduction  |           |
| Performance   |           |
| <b>Way Ahead</b>  | <b>16</b> |
| <b>Annexures</b>  | <b>17</b> |
| <b>Bibliography</b>   | <b>18</b> |

# 1. About the UT

## Andaman and Nicobar Islands



The Andaman and Nicobar Islands (A&N Islands), a Union Territory of India, comprises 836 islands, and is home to over 4.34 Lakh people with 35.7% urbanization rate.

The Andaman and Nicobar Islands (A&N Islands), a Union Territory of India, comprises 836 islands, and is home to over 4.34 Lakh people with 35.7% urbanization rate. The region has witnessed significant economic growth, with its Gross State Domestic Product (GSDP) rising from INR 0.03 Lakh Crore in 2011–12 to INR 0.12 Lakh Crore in 2023–24, registering a CAGR of 10.01 % over the years.

The Directorate of Industries serves as the nodal agency of the A&N Administration for promoting industrial development across the islands. It is entrusted with the responsibility of creating and sustaining an enabling environment for the establishment and smooth functioning of industries throughout the Union Territory.



## 2.1 UT Startup Policies

The Andaman & Nicobar Islands aim to establish a robust startup ecosystem under the framework of the Innovation & Startup Policy 2018. This policy serves as a strategic catalyst for creating an enabling environment that supports innovators and startups in achieving sustainable growth. It focuses on empowering startups through innovation and design, fostering a technology-driven and venture-friendly ecosystem, and encouraging youth to pursue entrepreneurial opportunities within the region.

### Key incentives provided under this scheme include:

- **A&N Innovation Fund:** The UT Administration, in collaboration with the Andaman and Nicobar Islands Integrated Development Corporation Limited, will establish an initial fund of INR 1 Cr. to set up startup incubators and develop co-working spaces.
- **Startup Monthly Allowance:** DPIIT-recognized startups at the idea/prototype stage will receive up to INR 15,000 per month for one year
- **Startup Growth Grant:** DPIIT-recognized startups at the minimum viable product (MVP) stage will be eligible for a grant of up to INR 3 Lakhs.
- One-time assistance up to INR 3 Lakh for marketing/publicity
- 50% subsidy on monthly rent of the incubator/co-working space (max INR 5,000) for up to 1 year.

# 2. UT Startup Policies and Initiatives



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- Reimbursement for filing and prosecution of national/international patents, trademarks, and copyrights.
- Annual reimbursement of UT GST paid on sales for 3 years, up to INR 3 Lakh per startup per year
- **50%** reimbursement on capital expenditure for computers, hardware, and software (max INR 1 lakh per startup).
- 50% subsidy on power bills, subject to a limit of INR 5 Lakh per year for 3 years.
- Funding for travel and participation in exchange programs, up to INR 15,000 or actual cost.
- **Public Procurement for Startups:** Simplified norms with exemptions from prior turnover, experience, and security deposits, while ensuring technical and quality standards.
- **Self-Certification & Compliance:** DPIIT-recognized startups are allowed to self-certify under various labor and environmental laws, reducing regulatory burden.



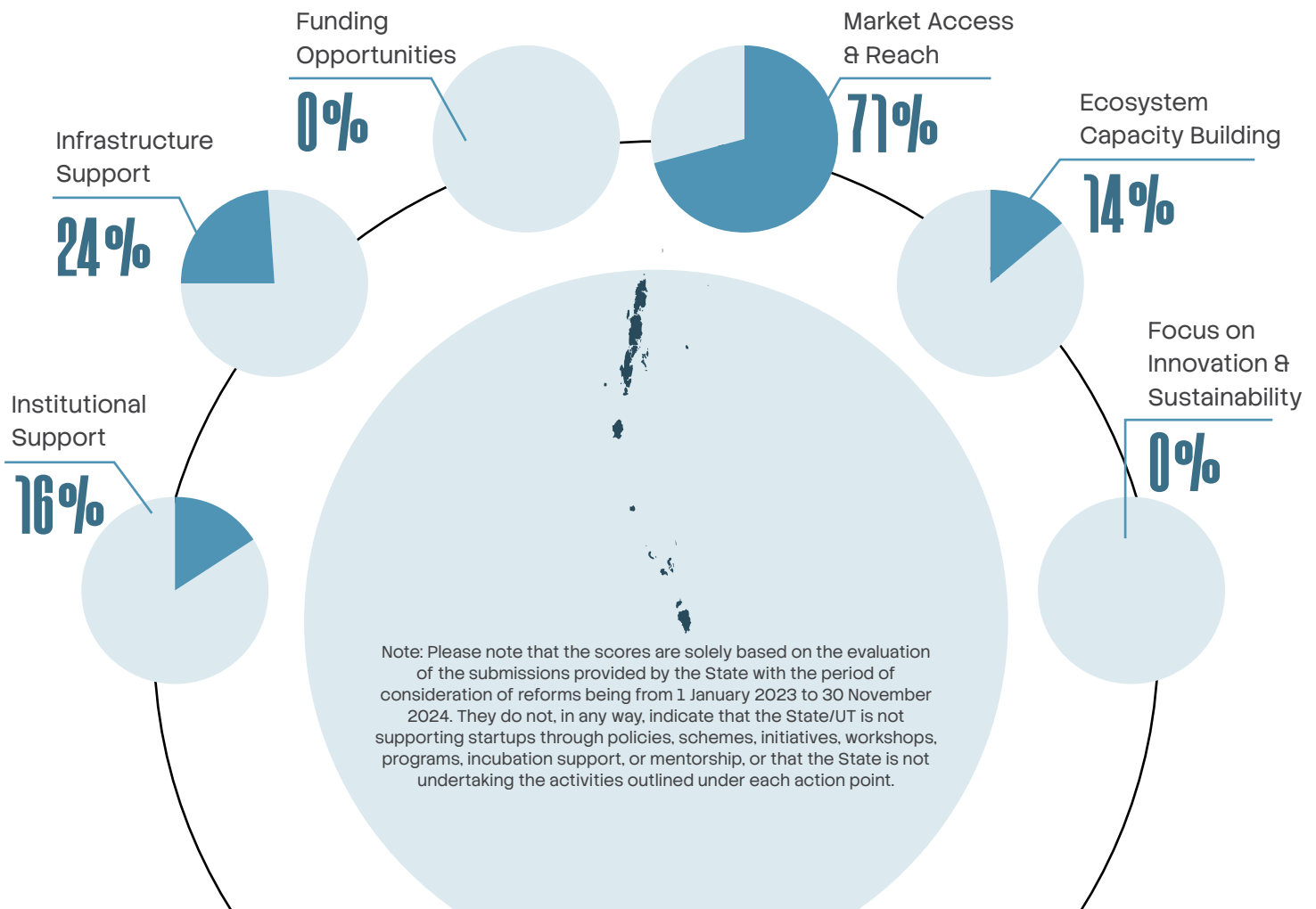
# 3. UTs' Startup Ecosystem Ranking Results

Andaman and Nicobar Islands participated in 6 Reform Areas and 16 Action Points under the 5<sup>th</sup> edition of States' Startup Ecosystem Ranking, and has been positioned as the "Aspiring Leader" UT in Category B.

The UT's performance across different reform areas is presented below as percentile scores, which is the relative performance of the UT in each Reform Area as compared to States/UTs in Category B. For example, if the UT has a score of 100th percentile in the 'Institutional Support' reform area, this implies that the UT has scored higher than all the participating Category B States/UTs in that reform area.

Overall, Andaman and Nicobar Islands has been evaluated across 6 Reform Areas that are critical to strengthening and advancing the UT's startup ecosystem. A detailed analysis with insights into the initiatives taken by the UT to promote its startup ecosystem are discussed in the subsequent sections.

**Figure 1: Reform area wise scores for Andaman and Nicobar Islands**



# 4. Reform Area 1 - Institutional Support

## 4.1 Introduction

**Institutional Support** focuses on the foundational support provided by state governments to foster startup ecosystems. It evaluates whether states have active startup policies, designated nodal departments, and

dedicated teams. It also assesses the extent of support provided by other government departments beyond the nodal agency. Key action points include the presence of a startup policy, identification and development of priority sectors, support for women entrepreneurs, and initiatives for young student entrepreneurs.

It covers 6 action points:



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



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



**Action Point 3:**  
Women Entrepreneurial  
Development



**Action Point 4:**  
For the Growth of  
Young Entrepreneurs



**Action Point 5:**  
Entrepreneurial Growth in the  
Social Innovation Landscape



**Action Point 6:**  
Mentorship Support  
Provided to Startups

## 4.2 Performance

5+

Programs in educational  
institutions to support  
student entrepreneurs





## Institutional support provided to Startups:

The UT has put in place an institutional framework to support startups through its Startup Policy Innovation and Startup Policy 2018, with its nodal department being Directorate of Industries. Several incentives have been extended under this policy, including startup monthly allowance, startup growth grant, marketing & publicity assistance, incubation & ecosystem support.

The UT also has a dedicated nodal officer and a dedicated team responsible for startup promotion and facilitation.

## Growth of Young Entrepreneurs:

The UT has implemented structured interventions to encourage entrepreneurship among students and young innovators through educational institutions. These include entrepreneurship awareness programs and industry interaction platforms. Overall, during the evaluation period, the UT implemented **5+ such comprehensive support structures / schemes / programs** aimed at supporting student entrepreneurs.



# 5. Reform Area 2 - Infrastructure Support

## 5.1 Introduction

**Infrastructure Support** evaluates the availability and quality of both digital and physical infrastructure provided by states to startups. Digital infrastructure includes state startup portals with features like online registration, grievance redressal, and accessibility in local

languages and for persons with disabilities. Physical infrastructure focuses on the establishment and upgrading of incubators, especially those supporting manufacturing and hardware startups. It also assesses the number of startups receiving incubation support and the facilities available to them.

**It covers 2 action points:**



### Action Point 7:

Access to Digital Infrastructure



### Action Point 8:

Access to Physical Infrastructure

## Access to Digital Infrastructure

The UT has enabled digital access for startups through a unified State Startup Portal that serves as a single-window interface for registration, information dissemination, and service delivery.

The UT has ensured that key service delivery features are available through the digital platform, including a fully online application process for incentives under the State Startup Policy and a grievance redressal mechanism for startups to submit queries or complaints. The portal is accessible in the local or official language of the UT and has provisions to support accessibility for persons with disabilities.



# 6. Reform Area 3 - Funding Opportunities

## 6.1 Introduction

**Funding Opportunities** examines the financial mechanisms established by states to support startups. It includes the creation and management of seed funds, venture funds, and funds of funds, especially those

targeting priority sectors. It also evaluates the number of startups that have received funding through these mechanisms and the extent of collaboration with financial institutions. Additionally, it assesses initiatives like pitching sessions and investor connect programs that facilitate access to private capital.

It covers 3 action points:



**Action Point 9:**  
Access to Funding



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

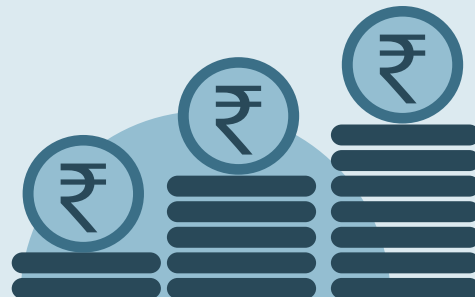


**Action Point 11:**  
State Support in Fundraising Initiatives

## 6.2 Performance



Program with pitching sessions for Startups undertaken by UT to promote angel funding/equity financing/debt financing





# 7. Reform Area 4 - Market Access & Reach

## 7.1 Introduction

**Market Access & Reach** focuses on how states help startups access markets by relaxing public procurement processes, awarding Government Work Orders, and domestic and international exposure. It evaluates the number of tenders floated with startup-friendly relaxations, the

number of startups awarded work orders, and the reach of market access initiatives across districts. It also considers programs that connect startups with government departments, corporates, and international trade bodies for product showcases and pilot projects.

**It covers 3 action points:**



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



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



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

## 7.2 Performance

# 15+

**Tenders/RFPs floated by the UT govt/  
PSUs which allowed the participation  
of Startups through relaxations**



## Market Access Opportunity Provided to Startups through Public Procurement

The UT has enabled market access for startups by facilitating their participation in public procurement through procedural relaxations in tenders and RFPs issued by State government departments and public sector undertakings. These include relaxations in prior experience criteria for startups in the UT.

As per the documentary evidence submitted, **15+ tenders** or RFPs have been floated by

Departments such as Information Technology Department, Shipping & Ports Department, Health Department, Education Department etc. during the evaluation period that incorporated startup-specific relaxations.

The UT has also enabled tangible market access for startups by awarding purchase orders or work orders through State government departments, agencies, and public sector undertakings.

# 8. Reform Area 5 - Ecosystem Capacity Building

## 8.1 Introduction

**Ecosystem Capacity Building** evaluates efforts to strengthen the startup ecosystem through training and sensitization programs. It includes workshops for government officials, capacity

development for incubators, and sensitization programs for ecosystem enablers like mentors, investors, and accelerators. The focus is on building awareness, improving stakeholder capabilities, and fostering collaboration across the ecosystem

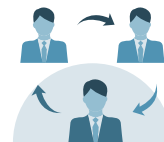
**It covers 3 action points:**



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



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



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

## 8.2 Performance

# 2+ State Departments Participated



### Capacity Building of Officials of State Government Departments on Startup Ecosystem of India

During the evaluation period, sensitization workshops / programs have been conducted by the UT to familiarize officials with startup-related policies, regulatory frameworks, and the role of government in enabling entrepreneurship. As per the documentary evidence submitted, officials from **2+ State** departments have participated in these sensitization programs.

For instance, the 'ODOP Sampark & stakeholder consultation' was organized in by Directorate of Industries, A&N Administration & Department for Promotion of Industry & Internal Trade (DPIIT). The workshop highlighted collaborative efforts between districts, states and center, emphasizing a commitment to fostering balanced regional development. The stakeholders along with official of line Departments were sensitized about the Government's ODOP initiative.

**Figure 2: Training on One District One Product**





# 9. Reform Area 6 - Focus on Innovation & Sustainability

## 9.1 Introduction

**Focus on Innovation and Sustainability** assesses how states promote innovation and sustainability through support for Intellectual Property Rights (IPR), Research

and Development (R&D), and startups focused on climate change and circular economy. It evaluates the presence of policies facilitating IPR, the extent of R&D support, and the number of sustainability-focused startups receiving incentives.

**It covers 2 action points:**



### Action Point 18:

Initiatives Undertaken by the State/UT to Facilitate Research and Innovation

With reference to Action Point 18, 'Initiatives Undertaken by the State/UT to Facilitate Research and Innovation', the UT has shared e-payment details made to startups during the period from 01 April 2023 to 02 March 2024.

For Action Point 19, 'Support to Startups for a Sustainable Future', the UT has submitted two policies, namely the Innovation and Start-up Policy, 2018 and the Andaman and Nicobar Islands Startup Funding and Incentives Scheme, 2019, along with a list of supported startups and PFMS statements reflecting incentive disbursements.



### Action Point 19:

Support to Startups for a Sustainable Focus



# 10. Way Ahead

- The UT may support startups in obtaining recognition from the Department for Promotion of Industry and Internal Trade (DPIIT) by conducting awareness campaigns and outreach initiatives on the schemes and benefits available. These may include the Credit Guarantee Scheme for Startups (CGSS), the Fund of Funds for Startups (FFS), the Startup India Seed Fund Scheme (SISFS), and applicable tax exemptions under the Startup India framework.
- The UT may promote the establishment of startup incubators within academic institutions, either independently or in partnership with the Startup ecosystem, to provide structured mentoring, infrastructure, and institutional support to early-stage startups.
- The UT may establish dedicated startup funding schemes and actively promote both newly introduced and existing funding schemes to ensure startups are able to effectively access and benefit from available financial support mechanisms.
- The UT may strengthen research and development (R&D) support and develop deep-tech infrastructure in alignment with the national vision of Viksit Bharat @2047, to foster innovation-led entrepreneurship and support the growth of technology-intensive startups.
- The UT may clearly identify priority sectors and roll out focused schemes, initiatives or partnerships to strengthen startup development in these areas
- The UT may strengthen initiatives and partnerships aimed at enabling more effective and sustained connections between startups and investors
- The UT may enhance targeted support for startups operating in the public welfare domain to enable solutions that deliver lasting social impact
- The UT may strengthen and expand its incubator ecosystem to provide startups with access to infrastructure, mentoring, and sector-specific support



- The UT may strengthen seed funding and fund-of-funds mechanisms to improve early-stage capital access and support a wider pool of startups
- The UT may enhance R&D support for startups through targeted financial assistance, access to shared facilities, and collaboration with academic or research institutions
- The UT may strengthen awareness and utilisation of procurement relaxations for startups by clearly communicating existing provisions and simplifying participation in tenders and RFPs
- The UT may introduce and strengthen policy support for startups in the circular economy, renewable energy, climate change, and sustainability domains, with clear implementation mechanisms
- The UT may focus on designing and implementing end-to-end market access initiatives, fully supported or executed by the UT, to help startups scale beyond local markets

# 11. Annexures

## List of Figures

Figure 1: Reform area wise scores for Andaman & Nicobar Islands

Figure 2: Training on One District one Product



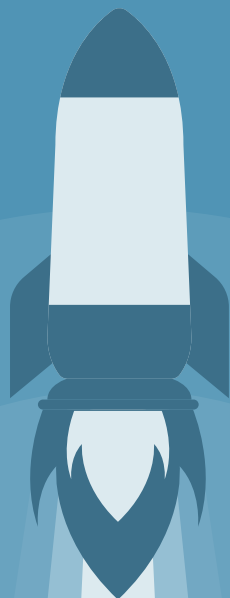
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