



5th Edition

States' Startup Ecosystem Ranking Bihar

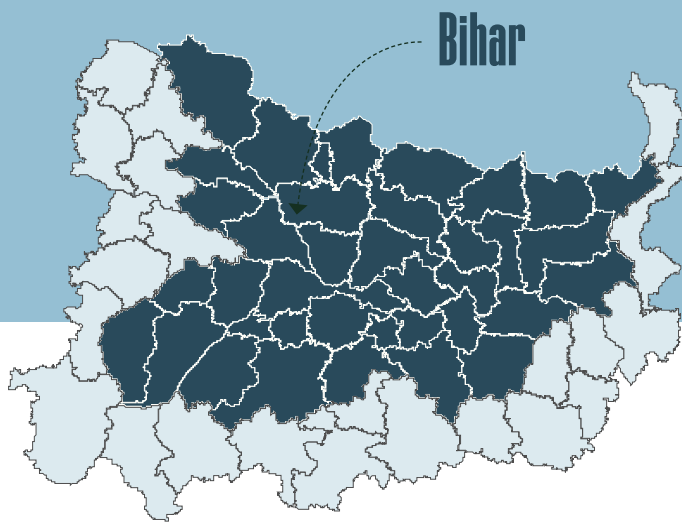
Aspiring Leader



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1. About the State



Bihar Start-up Policy 2022 was introduced to position Bihar as a centre for innovation-driven growth.

Bihar, located in eastern India, is the 12th largest state by area 98,940 Sq. Km and the 3rd most populous state with over 10.40 Cr people (Census 2011). Nearly 58% of its population is below 25 years of age, making it the state with the youngest demographic profile in the country.

Geographically, Bihar is bordered by Nepal to the north, Jharkhand to the south, West Bengal to the east, and Uttar Pradesh to the west. The river Ganges flows west to east, dividing the state into two fertile plains. Bihar has a notified forest area of 6,764 Sq. Km (6.8% of its total area). Hindi and Urdu serve as official languages, while regional languages such as Maithili, Bhojpuri, Magahi, Angika, and Bajjika are widely spoken.

The state had a GSDP of INR 9.9 Lakh Crore in 2024-25, and has witnessed a CAGR of 11.3% between 2011-12 to 2024-25. The state has a FDI inflow of 1.2 million USD during financial year 2024-25, and an export of 2.04 USD billion.

The Department of Industries, Government of Bihar, serves as the nodal department for promoting entrepreneurship and innovation in the state. Under its leadership, the Bihar Start-up Policy 2022 was introduced to position Bihar as a leading centre for innovation-driven economic growth. The policy is implemented through the Bihar Start-up Fund Trust (BSFT), established with a corpus of INR 500 Cr to provide financial assistance, seed funding up to INR 10 Lakh (interest-free loan), incubation and patent support, and targeted incentives for women, SC/ST, and differently abled entrepreneurs.



2. State Startup Policies and Initiatives

2.1 State Startup Policies

The startup ecosystem in Bihar operates under the Bihar Start-Up Policy 2022, implemented by the Department of Industries, Government of Bihar and executed through the Bihar Start-Up Fund Trust (BSFT) with operational support from the Start-up Support Unit (SSU) and oversight by the Start-up Monitoring & Implementation Committee (SMIC). The policy framework, designed for a five-year period, focuses on fostering entrepreneurship, innovation, and inclusive job creation across the state.

Major fiscal incentives & financial support (key items)

- **Seed / Validation funding (YUVA stream):**
Interest-free financial assistance up to INR 10L per start-up at validation stage (structured as repayable support with long tenor as per policy).
- **Acceleration support:**
Financial assistance for participation in recognised accelerator programmes (policy provides a ceiling of INR 3 L per start-up for acceleration participation).
- **Patent & IPR support:**
Domestic patent filing costs borne by the state for certified start-ups; additional reimbursement support for international patent filings (policy details stage-wise reimbursement).
- **Matching & mobilisation support:**
Success fee or matching support for start-ups that raise external investment; facilitation to connect with angel/VC networks and fund managers.
- **Special incentives:**
Additional grants/subsidies and relaxed conditions for start-ups fully owned/led by women, SC/ST, and differently abled entrepreneurs to promote inclusion.

Non-fiscal enablers & ecosystem support

- **Incubation & infrastructure:** Promotion and support for setting up incubators, co-working spaces and maker labs; facilitation for shared infrastructure in industrial parks and academic institutions.
- **Mentoring & capacity building:** Establishment/strengthening of mentoring networks, institutionalising entrepreneurship cells in colleges/universities and conducting bootcamps, EDPs and skill programmes.
- **Market access & procurement facilitation:** Preference/priority for certified start-ups in state procurement, access to state supply chains and assistance to participate in trade shows/market development.
- **Single-window facilitation:** Online application, certification and claim processing via the Startup Bihar portal to reduce procedural friction.

2.2 Key Initiatives Driving Growth

Bihar's startup ecosystem is being activated through a set of policy instruments and operational programs designed to move ventures from ideation to validation, acceleration and market access. The initiatives combine direct finance, incubation infrastructure, capacity building, investor engagement and digital single-window delivery.

- **Seed & Validation Support (YUVA / Seed Grants):** The State provides interest-free seed funding of up to INR10 L to certified startups for prototype development, testing, and proof-of-concept, disbursed

in milestone-based tranches to encourage early-stage innovation.

- **Matching Loan & Success-Fee Mechanism (Investment Mobilisation):** Startups securing investments from registered angel or AIF networks are eligible for a success-fee grant and matching loan from BSFT, encouraging private capital participation in Bihar's startup ecosystem.
- **Acceleration, Commercialisation & Valuation Support:** Financial aid is provided for participation in recognised accelerator programmes and valuation services, supporting startups in scaling, mentorship, and investor access/.
- **Patent / IPR & Market Access Facilitation:** The State covers domestic patent filing costs and reimburses international filings while offering procurement preference, industrial park space, and trade fair participation to enhance visibility and market reach.
- **Digital Single-Window Delivery & Portalisation:** The Startup Bihar Portal serves as a unified digital interface for registration, certification, fund applications, and monitoring, ensuring transparency and efficiency in service delivery.
- **Inclusion, Capacity Building & Outreach:** The Policy ensures inclusivity by reserving funds for women, SC/ST, and differently abled founders while promoting awareness programmes, startup cells, and skill-building workshops across institutions.
- **Governance, Monitoring & Exit Provisions:** Implementation is managed by Bihar Start-up Fund Trust (BSFT), the Start-up Support Unit (SSU), and the Start-up Monitoring & Implementation Committee (SMIC), with milestone-based disbursement and exit provisions ensuring accountability.

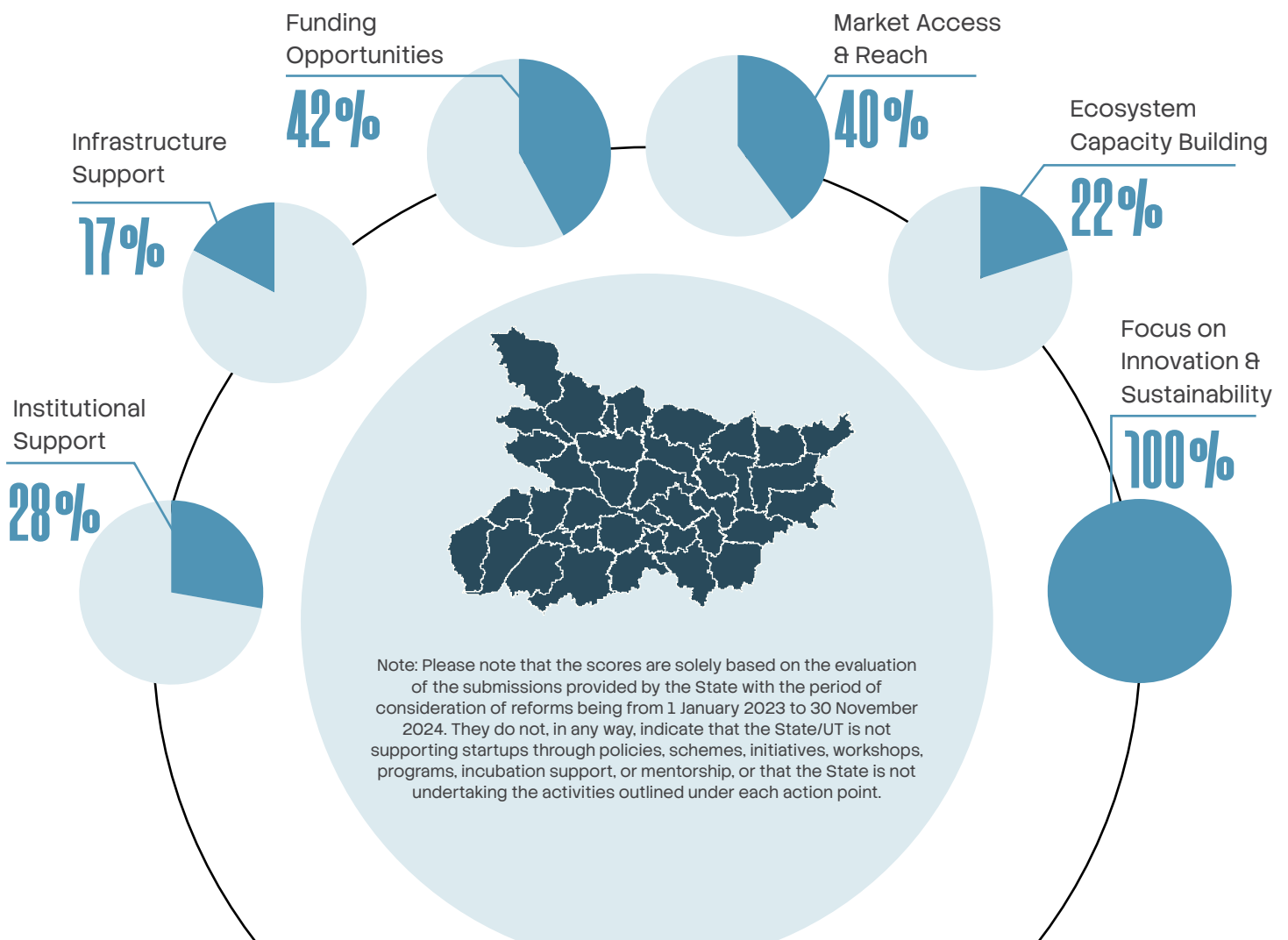
3. States' Startup Ecosystem Ranking Results

Bihar participated in all 6 Reform Areas and 19 Action Points under the 5th edition of States' Startup Ecosystem Ranking, and has been positioned as the "Aspiring Leader" State in Category A.

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

The state has been evaluated on six Reform Areas that have a significant contribution towards propelling the startup ecosystem in the State. Detailed analysis with insights into the initiatives taken by the State to promote its startup ecosystem are discussed in the subsequent sections.

Figure 1: Reform area wise scores for Bihar



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

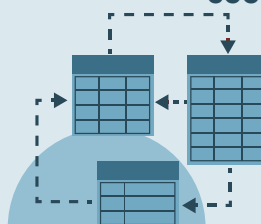
45+

Support structures, schemes, initiatives, activities and or programs provided in educational institutions to support student entrepreneurs



13+

Schemes supporting priority sector



Institutional support provided to Startups

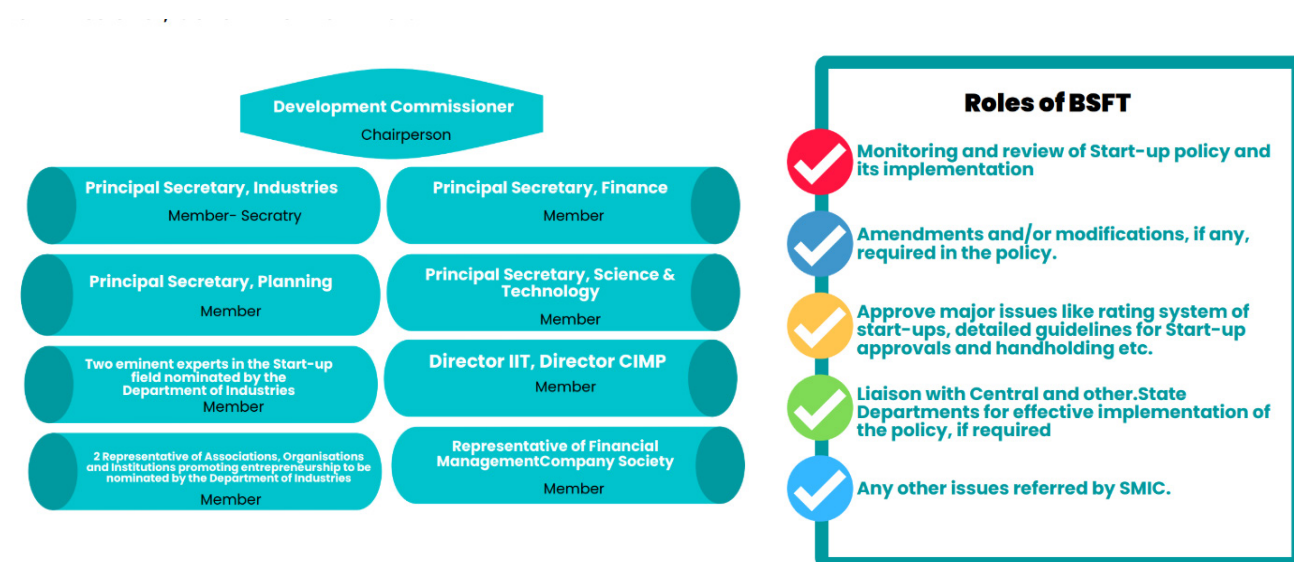
The State has put in place an institutional framework to support startups through its Startup Policy Bihar Start-up Policy-2022, with its nodal department being Bihar Start-up Fund Trust (BSFT) under the Chairmanship of Development Commissioner, Government of Bihar. The Startup Policy is published on the portal in Hindi ([Link](#)) and English ([Link](#)).

Under the policy, several incentives have been extended to startups, including Interest-

free seed grant, success fee for fundraising, scale-up financing fund, zero cost patent filing, incubation cost reimbursement. The role of BSFT, as the nodal department, is clearly defined on the Startup Bihar Portal.

As per the submissions made by the state, various departments (other than Nodal Department) support startups in their respective sectors/areas including Agriculture Department, IT Department, Labour Department, among others.

Figure 2: Bihar Start-up Fund Trust (BSFT)



Development with a Futuristic and Disruptive Focus

The State has identified priority sectors to guide the development of a futuristic and innovation-driven startup ecosystem. These priority sectors include Food processing sector, Tourism, Small Machine Manufacturing Sector, IT and ITeS, Electrical and Electronic Hardware Manufacturing Sector, Textile Sector, Plastic and Rubber Sector, Renewable Energy Sector, Healthcare Sector among others.

To promote startups operating within the identified priority sectors, the State had **13+ schemes**, initiatives / policies / activities operational during the evaluation period. Some of these initiatives/schemes include Bihar IT Policy 2024; Bihar Policy for Promotion of Bihar New and Energy Renewable sources, 2017; Bihar Tourism Policy guidelines 2024; Bihar Electric Vehicle Policy, 2023; Rapid Prototyping Lab; Bihar Agri Investment Promotion Policy, 2020; Promoting Innovations in Individuals Grass Root Innovation Scheme; Bihar Industrial Investment

Promotion Policy, 2016; Policy for Joint Venture with State Public Sector Enterprises, 2020; Special Land Allotment and Amnesty Policy, 2020; among others. These interventions cover capital & investment subsidies, power & utility cost support, employment & skill incentives, ease of doing business & infrastructure support.

For the Growth of Young Entrepreneurs

The State has implemented structured interventions to encourage entrepreneurship among students and young innovators through educational institutions. These include innovation challenges, startup bootcamps and industry interaction platforms.

For instance, the State initiated Startup Outreach Event in Government Polytechnic, Arwal. The Startup outreach event was conducted in Government Polytechnic, Arwal in November 2023. Students from Government Polytechnic, Arwal attended the program. The program was attended by GM-DIC, Arwal, Assistant Director, department of industries, government of Bihar, college principal, college professors & students. a startup ideation challenge was conducted at the beginning of the program. topics such as importance of

startup and entrepreneurs and various schemes run by the department of industries, government of Bihar to support the entrepreneurship in state were discussed.

Figure 3: Startup Outreach Event, Arwal



Overall, during the evaluation period, the State implemented **45+ such comprehensive support structures** / schemes / programs aimed at supporting student entrepreneurs.

Entrepreneurial Growth in the Social Innovation Landscape

The State has extended targeted support to startups operating in the public welfare and social innovation space, through Bihar Start-Up Policy 2022. The interventions include funding assistance to social ventures or other sectors or areas which the government or regulators consider as socially or economically desirable.



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

5.2 Performance

815+ Startups registered on the State Startup portal



Access to Digital Infrastructure

The State has enabled digital access for startups through a unified State Startup Portal called "Startup Bihar" ([Link](#)) that serves as a single-window interface for registration,

information dissemination, and service delivery. As per the records submitted, **815+ startups** are registered on the State Startup Portal.

The State 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 State and has provisions to support accessibility for persons with disabilities.

Figure 4: Portal available in both English and Hindi



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

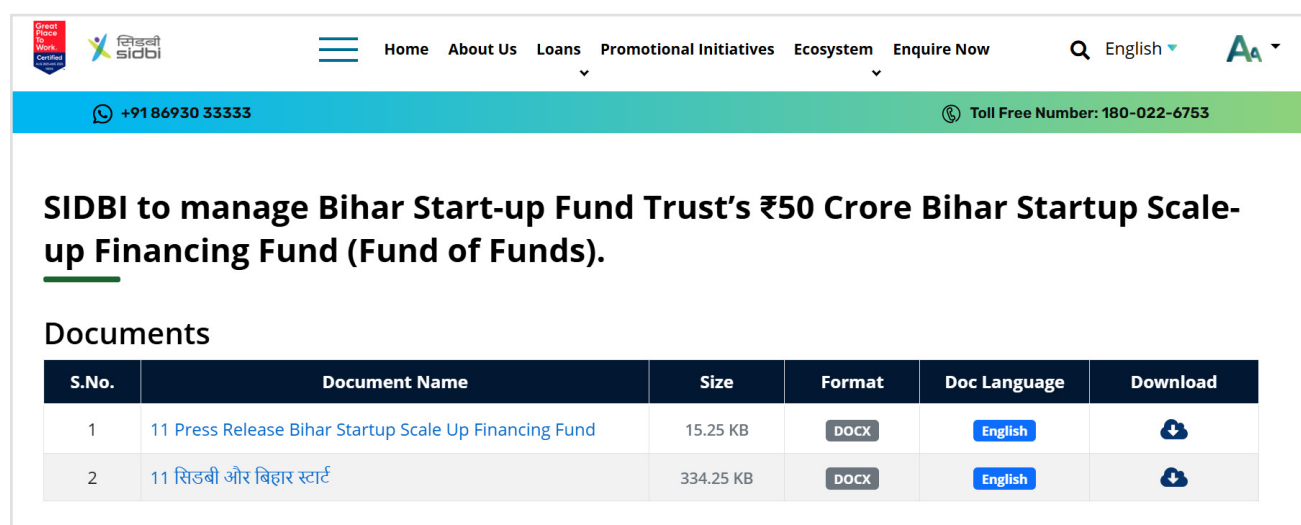
530+ Startups received funding from the State



Access to Funding

The State has initiated collaborative funding provisions for startups in partnership with banking and financial institutions through

MoUs. For instance, a MoU was signed between Bihar Startup Fund Trust and Small Industries Development Bank of India (SIDBI) for managing a fund of INR 50 Cr for assisting startups in Bihar ([Link](#)).

Figure 5: Bihar Startup Scale-up Financing Fund between BSFT and SIDBI


The screenshot shows the SIDBI website with a header containing navigation links: Home, About Us, Loans, Promotional Initiatives, Ecosystem, and Enquire Now. A search bar and language selector (English) are also present. A green banner at the top displays the contact number +91 86930 33333 and the toll-free number 180-022-6753.

SIDBI to manage Bihar Start-up Fund Trust's ₹50 Crore Bihar Startup Scale-up Financing Fund (Fund of Funds).

Documents

S.No.	Document Name	Size	Format	Doc Language	Download
1	11 Press Release Bihar Startup Scale Up Financing Fund	15.25 KB	DOCX	English	
2	11 सिडबी और बिहार स्टार्ट	334.25 KB	DOCX	English	

Number of Startups which have Received Funding through State Supported Funds or Mechanisms

The State has extended direct financial support to startups through State-supported funds or

funding mechanisms established or facilitated by the government. During the evaluation period, a total of **530+ startups** have received funding support through such mechanisms.



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

4+



Unique market
access
opportunities

4+



Startups awarded purchase
orders

Market Access Opportunity Provided to Startups through Public Procurement

The State 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. Such relaxations include exemption on EMD, among others, awarding

to startups on nomination. The state has highlighted the relaxations provided to startups on the portal under the Bihar Purchase Rules ([Link](#)) and Bihar Startup Policy 2022 ([Link](#)).

Besides, Bihar supported the state's startups across events such as Startup Mahakumbh, Global Bio India 2024, India International Trade Fair 2023, Youth Entrepreneurship Summit 2024, among others.

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

3+

Programs Conducted to Sensitize Ecosystem Enablers (Mentors / Investors / Accelerators / Startups)



Number of Programs Conducted to Sensitize Ecosystem Enablers

The State has conducted targeted programs to sensitize existing and potential ecosystem enablers, focusing on themes such as role of ecosystem enablers, mentorship frameworks, incubators models, among others, and have been designed to encourage greater engagement with startups at various stages of growth.

As per the documentary evidence submitted, the State has conducted or supported **3+ sensitization programs** during the evaluation period, including Capacity Building Programme for Managers/ Members of E-Cells/ Incubation Centre; Startup Bihar Ecosystem Building Workshop; and Capacity Building Training Programme for Officials of Planning and Development Department, among others.



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



Action Point 19:

Support to Startups for a Sustainable Focus

9.2 Performance

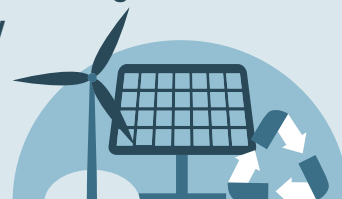
2+



**Policies for startups
focused on renewable
energy/ sustainability**

60+

**Startups focused on renewable
energy, climate change, and
sustainability**



Initiatives Undertaken by the State to Facilitate Research and Innovation

The State has undertaken initiatives to strengthen research and innovation within the startup ecosystem. The Bihar Startup Policy 2022 cover all costs associated with filing domestic patents and provide financial assistance in form of reimbursements for awarded foreign patents towards filing fees, under Zero Cost for Filing Patents – Domestic and Foreign. Besides, the state also provide IPR support to startups (Link) covering for reimbursement of IPR filing costs (patents, trademarks, designs) via the startup portal or email, and leveraging central schemes like Startup India's facilitation services for reduced statutory fees (80% rebate) and paid expert assistance, with self-declaration required to avoid double-dipping on facilitator fees, for startups certified under Bihar Startup Policy.

In addition, the State has extended R&D support to startups operating in identified priority sectors through targeted incentives and programs. Such support includes collaboration with academic or research institutions.

For instance, the state has signed an MoU with Loknayaak Jai Prakash Institute of Technology for encouraging research and development activities.

Support to Startups for a Sustainable Future

During the evaluation period, **2+ active policies or schemes** supporting startups in the circular economy and sustainability domains have been implemented by the State, including Bihar's Biofuels Production Promotion Policy 2023. According to this policy, the following incentives are provided.

- Capital subsidy: 15% of plant & machinery cost (up to INR 5 crore; higher for special categories)
- Tax reimbursements: 100% SGST and electricity duty reimbursement for 5 years.
- Interest subvention: Up to 10% on term loans for 5 years (cap-linked to project cost).
- Land & registration benefits: 100% exemption on stamp duty, registration, and land conversion fees.

As per the documentary evidence submitted, the State has supported **60+ startups** working in areas such as renewable energy, climate resilience, climate technology, resource efficiency, waste management, and other sustainability-focused solutions.



10. Way Ahead

- The state may appoint a nodal officer and a dedicated team to assist startups and reveal the names and contacts on the state startup portal for ease of access and communication.
- The State may formalise a sector-wise support framework that translates the existing priority-sector policy into clear, actionable guidelines for each identified industry (such as food processing, tourism, renewable energy, health-care). This will make the policy incentives more accessible to entrepreneurs and ensure consistent implementation across departments.
- The State may define eligibility criteria for women-led enterprises and publish the definition on the Startup Bihar portal. Coupling this with a suite of supports such as dedicated incubation seats, seed-grant assistance, targeted capacity-building programmes and mentorship to deepen the impact of the current women-entrepreneur incentives.
- The State may create a concrete classification for social-welfare startups and list it on the portal. By attaching specific benefits such as incubation support, capital subsidies, stamp-duty exemptions and streamlined registration, the state can encourage more ventures that address public-interest challenges.
- The State may expand the mentor network by actively recruiting sector specialists and establishing a structured matching system that aligns mentors with startups at different stages (ideation, prototype, scale-up). Incentives for mentors and regular performance tracking will improve the quality and continuity of mentorship.
- The State may upgrade the Startup Bihar portal into a true one-stop shop that integrates registration, grievance redressal, incentive applications, knowledge-bank, and real-time updates on tenders and funding opportunities.
- The State may develop additional physical infrastructure such as co-working spaces, plug-and-play incubation labs, testing facilities and shared prototyping workshops, especially in districts that currently lack such resources. This will broaden geographic coverage and support hardware-intensive and manufacturing startups.
- The State may establish dedicated funding mechanisms including a seed fund, a venture-capital fund, or a fund-of-funds, beyond the current Bihar Startup Scale-up Financing Fund, with explicit mandates to provide affordable capital to early-stage and growth-stage startups. Transparent eligibility rules and regular disbursement cycles will complement the existing funding partnership with SIDBI.

- The State may organise regular fundraising and networking events (conclaves, pitch-days, investor-connect sessions) that bring together startups, potential customers, investors and corporate partners. Structured matchmaking and follow-up support will increase deal flow and ecosystem visibility.

- The State may strengthen procurement participation by publishing clear relaxations on turnover thresholds, earnest-money-deposit requirements, and certification mandates, and by creating a dedicated marketplace that notifies eligible startups of upcoming tenders. This will translate policy relaxations into tangible work-order awards.

- The State may launch a focused grant track for sustainability and climate-change startups that identifies sub-sectors (renewable energy, waste-to-value, circular-economy solutions, etc.) and bundles grant assistance, incubator access, mentorship and pilot-project opportunities. Aligning this track with the existing renewable-energy policies will deepen impact.

- The State may institutionalise a continuous capacity-building programme for ecosystem enablers (government officials, incubator managers, mentors, investors). Regular workshops on emerging technologies, financing models, IPR processes and best practices will enhance stakeholder effectiveness and foster collaboration.



11. Annexures

List of Figures

Figure 1: Reform area wise scores for Bihar

Figure 2: Bihar Start-up Fund Trust (BSFT)

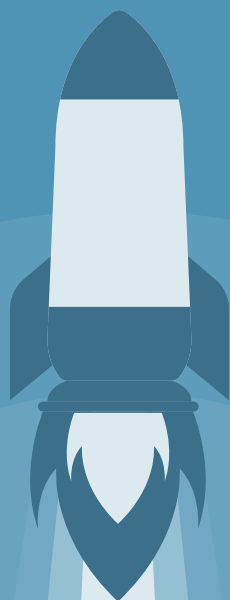
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Contact Us
www.startupindia.gov.in
1800 115 565

