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5th Edition

States' Startup Ecosystem Ranking

Chandigarh

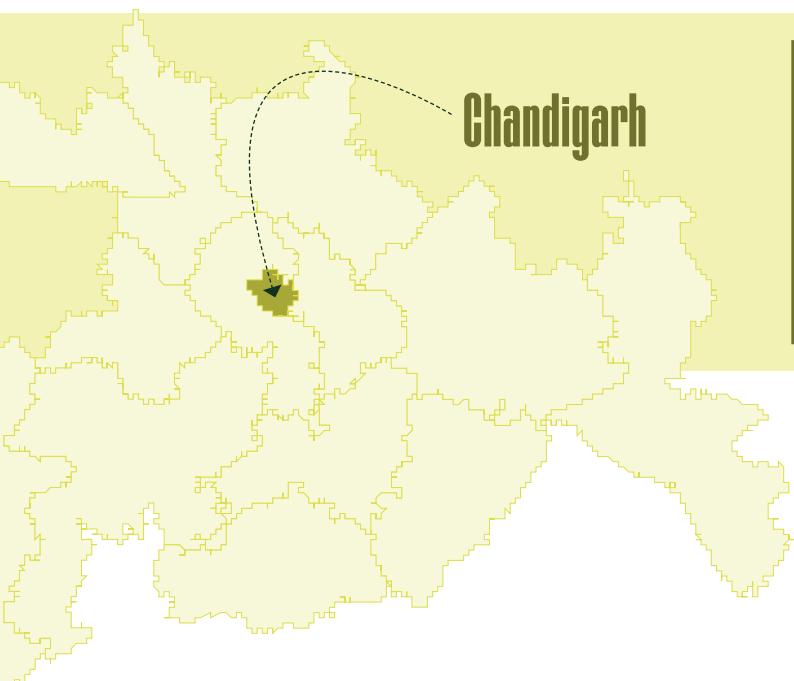
Emerging Startup Ecosystem



Table of Contents

About the UT	04
UT Startup Policies and Initiatives	05
UTs' Startup Ecosystem Ranking Results	07
Reform Area 1 - Institutional Support	08
Introduction	
Performance	
Reform Area 2 - Infrastructure Support	09
Introduction	
Performance	
Reform Area 3 – Funding Opportunities	10
Introduction	
Performance	
Reform Area 4 – Market Access & Reach	11
Introduction	
Performance	
Reform Area 5 – Ecosystem Capacity Building	12
Introduction	
Performance	
Reform Area 6 – Focus on Innovation & Sustainability	13
Introduction	
Way Ahead	14
Annexures	15
Bibliography	15

1. About the UT



The Department of Industries, Chandigarh, serves as the Nodal Department for the UT and is responsible for creating a conducive environment for startups.

Chandigarh, one of India's prominent Union Territories, is emerging as a growing hub for entrepreneurship and innovation. Backed by strong economic fundamentals, a young workforce, and institutional support, the city's Startup Policy aims to create an enabling ecosystem that supports startups through every stage, from ideation to commercialization.

According to the 2011 Census, Chandigarh recorded a total population of 10.55 Lakh, positioning it among India's one of the smaller

metropolitan regions by population size. Its GSDP increased to INR 0.63 Lakh Crore in 2023-24, growing at a CAGR of 10.6% over 2011-12. Further, in the 2024-25, the UT recorded USD 0.12 Bn worth exports and attracted USD 5.12 Mn in FDI equity inflows, reflecting its increasing appeal as an investment destination.

The Department of Industries, Chandigarh, serves as the Nodal Department for implementing various interventions and new initiatives under the Startup Policy. It is responsible for ensuring the timely disbursement of funds to beneficiaries and vendors, as well as for monitoring the operations of the Startup Cell.

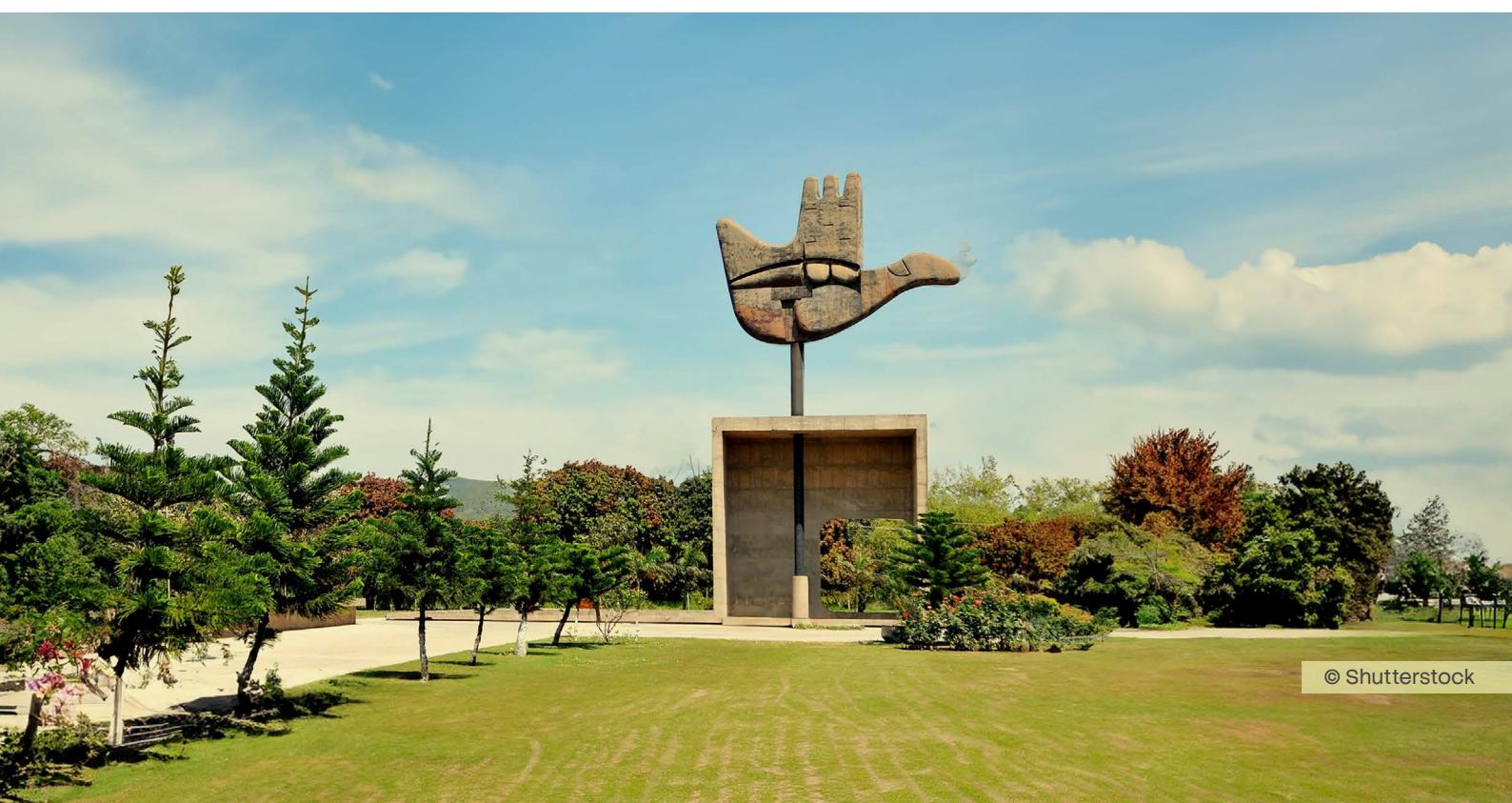
2. UT Startup Policies and Initiatives

Chandigarh launched its Startup Policy in April 2025. The policy aims to create a strong and inclusive startup ecosystem in Chandigarh that supports innovation, entrepreneurial growth, and sustainable economic development. Its objectives include promoting the creation and growth of at least 200 new startups, offering financial and non-financial incentives across all stages of development, and strengthening the incubation ecosystem through infrastructure and mentoring support. The Policy also seeks to encourage research, innovation, and collaboration through events like hackathons and startup festivals, while driving economic growth and job creation by supporting

technology-driven solutions and investment in locally developed products.

Key incentives offered include:

- Grants at various stages - Idea, Seed/MVP, and Early Growth to support innovation, product development and market expansion.
- Reimbursement support for eligible startup expenses to enhance sustainability.
- 50% to 75% reimbursement of cost (including travel cost) incurred on national and international marketing activities like sales promotion, trade shows, seminar participation, market research etc. The support is limited to INR 10 Lakh per startup, per annum.
- Provision of a reimbursement of 50% of the actual cost, with a maximum limit of INR 2 Lakh for domestic patents and INR 1 Cr for international patents.
- Promotes inclusivity by encouraging participation from women-led, youth-led, and



- social impact startups, ensuring diversity and equitable access within the entrepreneurial ecosystem.
- Co-working spaces will be provided to early-stage startups at minimal charges, accessible 24x7.
- Startups will receive mentorship and advisory support for business planning and strategic execution.
- A dedicated incubator for IT companies, Society for Promotion of Information Technology Companies (SPIC), has been established to serve as a development centre for IT-based startups by offering affordable office infrastructure and support for entrepreneurs to launch their ventures.
- For startups enrolled in the SPIC incubation centre, a loan guarantee of up to 10% will be provided to banks to offset potential non-performing asset (NPA) losses.
- A rental subsidy of INR 5,000 a month for 12 months is provided for using recognised co-working spaces
- The early-stage commercialisation grant offers up to INR 12 Lakh per startup with an additional 2 Lakh for women-led and transgender-led startups.
- Support for certifications covers 80% of the cost incurred up to INR 1 Lakh per startup, and support for patent filings covers 80% of the cost incurred up to INR 10,000 per startup.



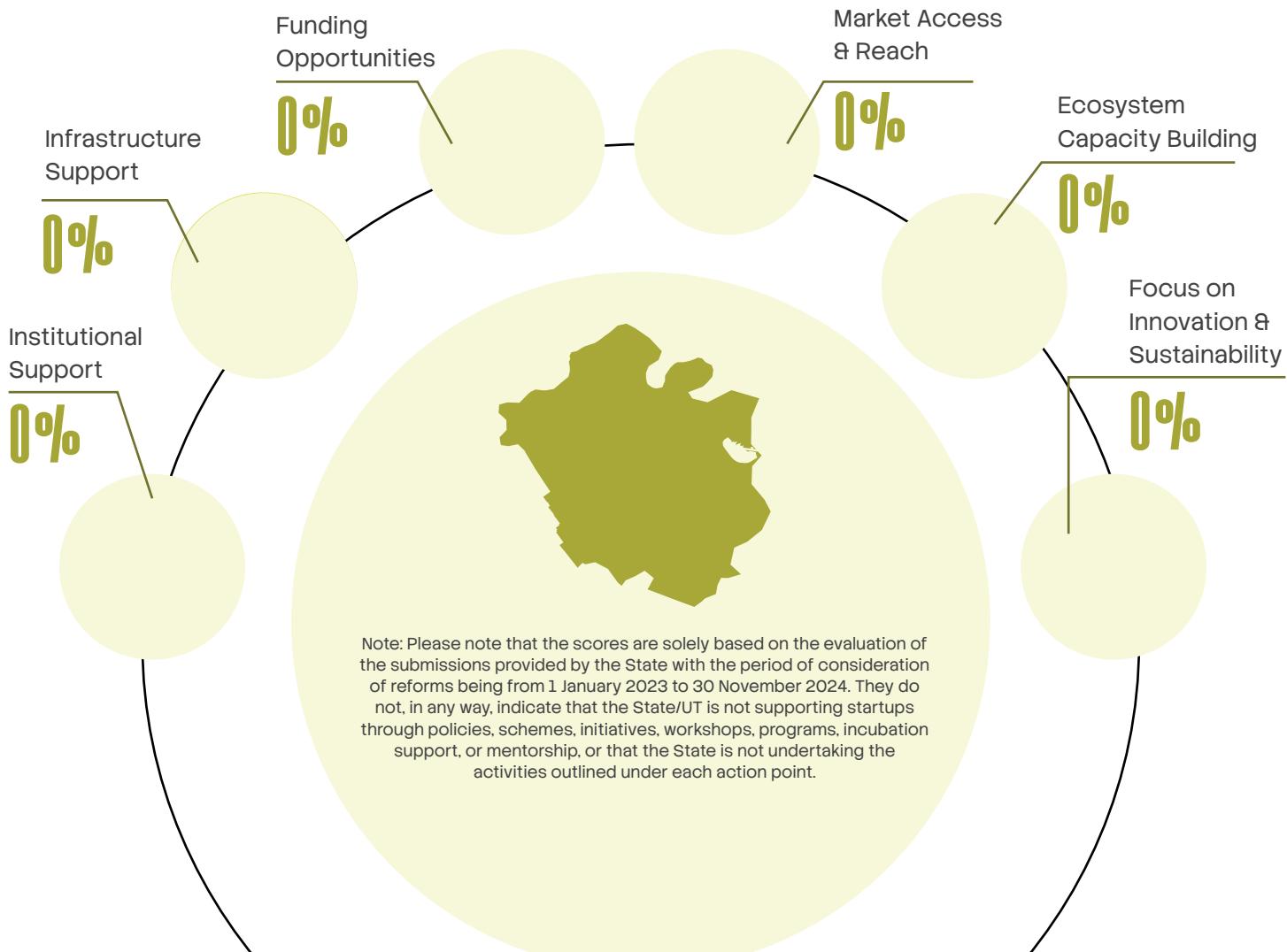
3. UTs' Startup Ecosystem Ranking Results

Chandigarh participated in all 6 Reform Areas and 18 Action Points under the 5th edition of States' Startup Ecosystem Ranking, and has been positioned as an 'Emerging Startup Ecosystem' 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 States/UTs in that Reform Area.

Overall, Chandigarh 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 Chandigarh



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



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



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



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



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



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

It covers 2 action points:



Action Point 18:

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

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.



Action Point 19:

Support to Startups for a Sustainable Focus



10. Way Ahead



- The UT may strengthen clarity and visibility around its startup ecosystem governance by operationalising its startup policy framework, nodal department, nodal officer, and establishing a dedicated startup support team.
- The UT may clearly identify priority sectors and focus on designing and implementing targeted schemes and initiatives to promote startup development in these areas.
- The UT may clearly define who qualifies as a woman entrepreneur and place greater emphasis on targeted support for women-led startups through focused interventions.
- The UT may strengthen targeted support for startups operating in the public welfare domain to enable solutions that deliver sustained social impact.
- The UT may expand and deepen mentorship support by increasing the number of mentors actively engaged with startups.
- The UT may strengthen startup-facing grievance redressal mechanisms to ensure accessibility, including availability in official or local languages and access for persons with disabilities.
- The UT may strengthen and expand its incubator ecosystem to provide startups with improved infrastructure, mentoring, and sector-specific support.
- The UT may focus on facilitating regular pitching platforms and investor engagement programmes to improve access to angel funding, equity financing, and debt instruments.
- The UT may strengthen seed funding, venture funding, or fund-of-funds mechanisms and place greater emphasis on enabling effective connections between startups and investors through UT-led initiatives and partnerships.
- The UT may intensify efforts to promote startup participation in public procurement by strengthening awareness and utilisation of existing relaxations and increasing opportunities for startups to receive work orders.
- The UT may strengthen initiatives aimed at facilitating and fast-tracking intellectual property rights processes, including patents, copyrights, and trademarks, for startups.
- The UT may enhance R&D support mechanisms for startups operating in identified priority sectors through targeted financial assistance and access to shared infrastructure.
- The UT may intensify its focus on promoting startups in sustainability and renewable energy by strengthening policies in areas such as circular economy and waste management.

11. Annexures

List of Figures

Figure 1: Reform area wise scores for Chandigarh

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