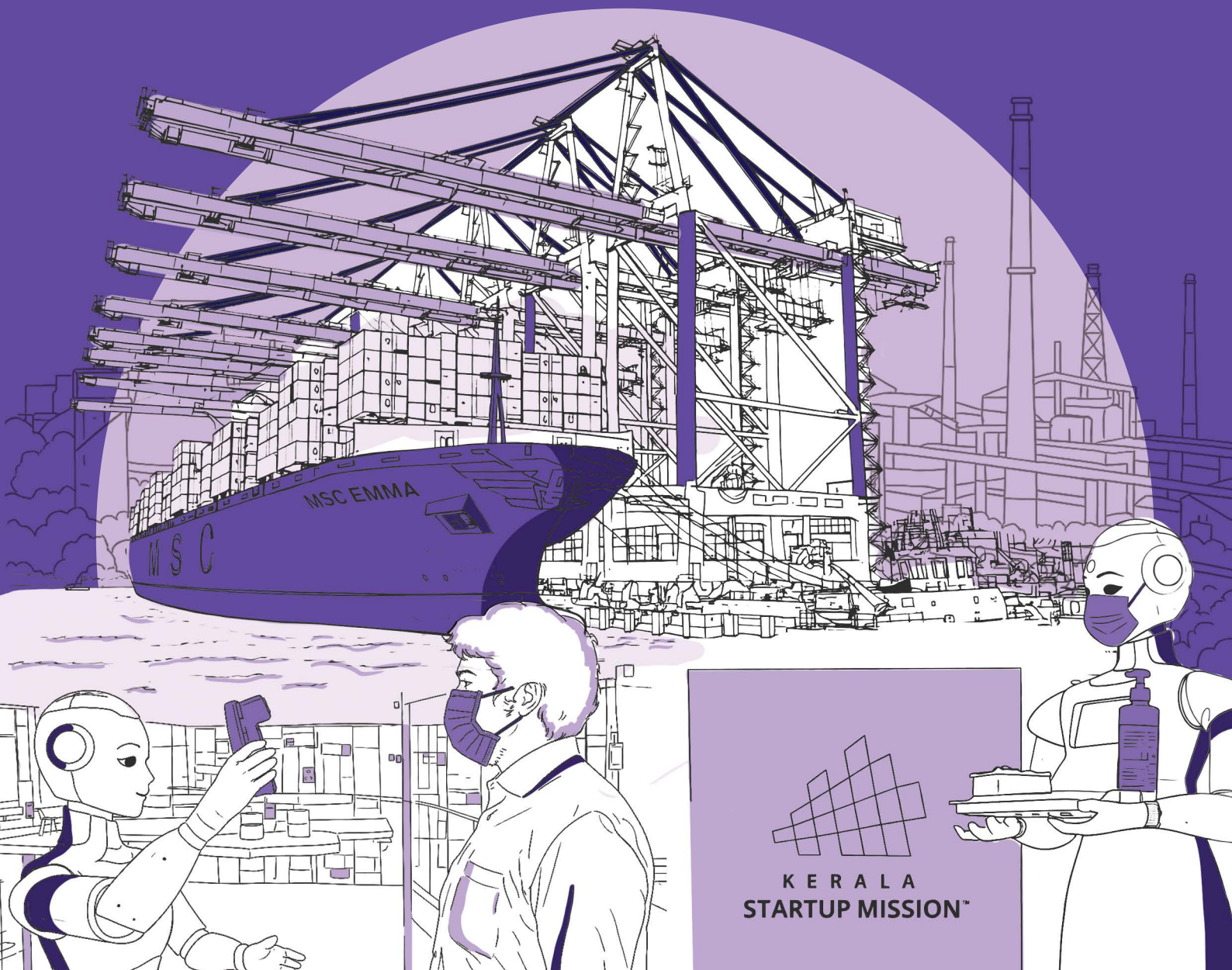




5th Edition

States' Startup Ecosystem Ranking Kerala

Leader

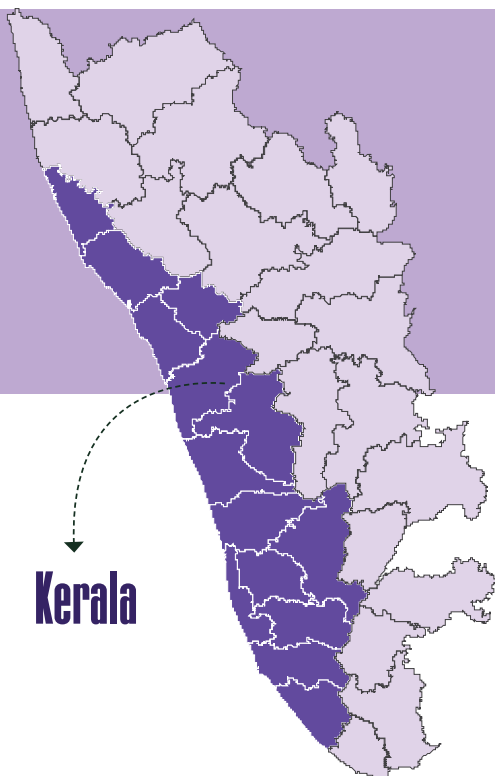


KERALA
STARTUP MISSION™

Table of Contents

About the State	04
State Startup Policies and Initiatives	05
State Startup Policies	
Key Initiatives Driving Growth	
States' Startup Ecosystem Ranking Results	07
Reform Area 1 - Institutional Support	08
Introduction	
Performance	
Reform Area 2 - Infrastructure Support	12
Introduction	
Performance	
Reform Area 3 – Funding Opportunities	14
Introduction	
Performance	
Reform Area 4 – Market Access & Reach	15
Introduction	
Performance	
Reform Area 5 – Ecosystem Capacity Building	17
Introduction	
Performance	
Reform Area 6 – Focus on Innovation & Sustainability	19
Introduction	
Performance	
Way Ahead	21
Annexures	22
Bibliography	23

1. About the State



Kerala

Kerala, often hailed as “God’s Own Country,” is a captivating state nestled along India’s southwestern coastline, bordered by the Arabian Sea. As per the Census 2011, Kerala has a population of 33.4 Mn with an urbanization rate of 47.7%, indicating a high population density and strong human capital base.

Kerala’s recorded Gross State Domestic Product (GSDP) of INR 12.48 Lakh Crore in 2024-25 with Compound Annual Growth Rate (CAGR) of 9.94% over 2011-12, reflecting steady economic

The nodal department for startups in Kerala is the Kerala Startup Mission (KSUM), which functions under the Department of Electronics and Information Technology (DeiTY), Government of Kerala.

expansion over the years. The state attracted total FDI inflows of USD 396.5 Mn, and its exports were valued at USD 4.77 Bn during 2024-25.

The nodal department for startups in Kerala is the Kerala Startup Mission (KSUM), which functions under the Department of Electronics and Information Technology (DeiTY), Government of Kerala. It implements the Kerala Technology Startup Policy and supports the state’s startup ecosystem through various schemes. KSUM promotes technology-based ventures by providing infrastructure, resources, and end-to-end support, enabling entrepreneurs to develop innovative products and scale successfully.

The Government of Kerala declared the year 2022 as the “Year of Entrepreneurs” and set a goal of creating 15,000 Startups by the year 2027.



2. State Startup Policies and Initiatives

2.1 State Startup Policies

The Kerala Technology Startup Policy 2014, launched by the Department of Electronics & IT through KSUM, laid the foundation for a strong startup ecosystem with incentives such as 20% capital subsidy (up to INR 5 crore) for incubators and performance grants up to INR 10 lakh for startups.

The revised 2017 policy strengthened this framework by introducing 'Government as Marketplace' procurement (up to INR 20 lakh directly), innovation grants up to INR 12 lakh, and seed funding from INR 25 lakh to INR 2 crore, marking a shift from ecosystem creation to active startup scaling and market access.

2.2 Key Initiatives Driving Growth

● Innovation Grant

This scheme to provide financial support to startups and entrepreneurs, enabling them to transform innovative ideas into successful ventures.

● Seed Fund Scheme

The Seed Support Scheme offers financial assistance to startups to promote the creation and growth of innovative, technology-driven enterprises. Its objective is to stimulate Kerala's economy through venture creation, job generation, and increased private investment.

● **Rent Subsidy Scheme for Start ups**

Kerala Startup Mission provides rental support to high-performing startups in the scale-up stage by reimbursing a portion of the rent for infrastructure space located in government-owned parks or premises leased by government agencies. The subsidy covers up to 50% of the rent or INR 20 per sq. ft., whichever is lower, and is subject to the growth demonstrated by the startup.

● **Seed Fund for Women Entrepreneurs**

This scheme provides financial assistance to startups to encourage the creation and

growth of innovative, technology-driven enterprises that contribute to Kerala's economic development through venture creation, job generation, and increased private investment. Under this scheme, the moratorium period for seed funds provided by Kerala Startup Mission has been extended from one year to two years.

● **Fail Fast or Succeed**

A program by KSUM to support startup growth, helping them iterate rapidly, pivot or scale up with structured interventions.



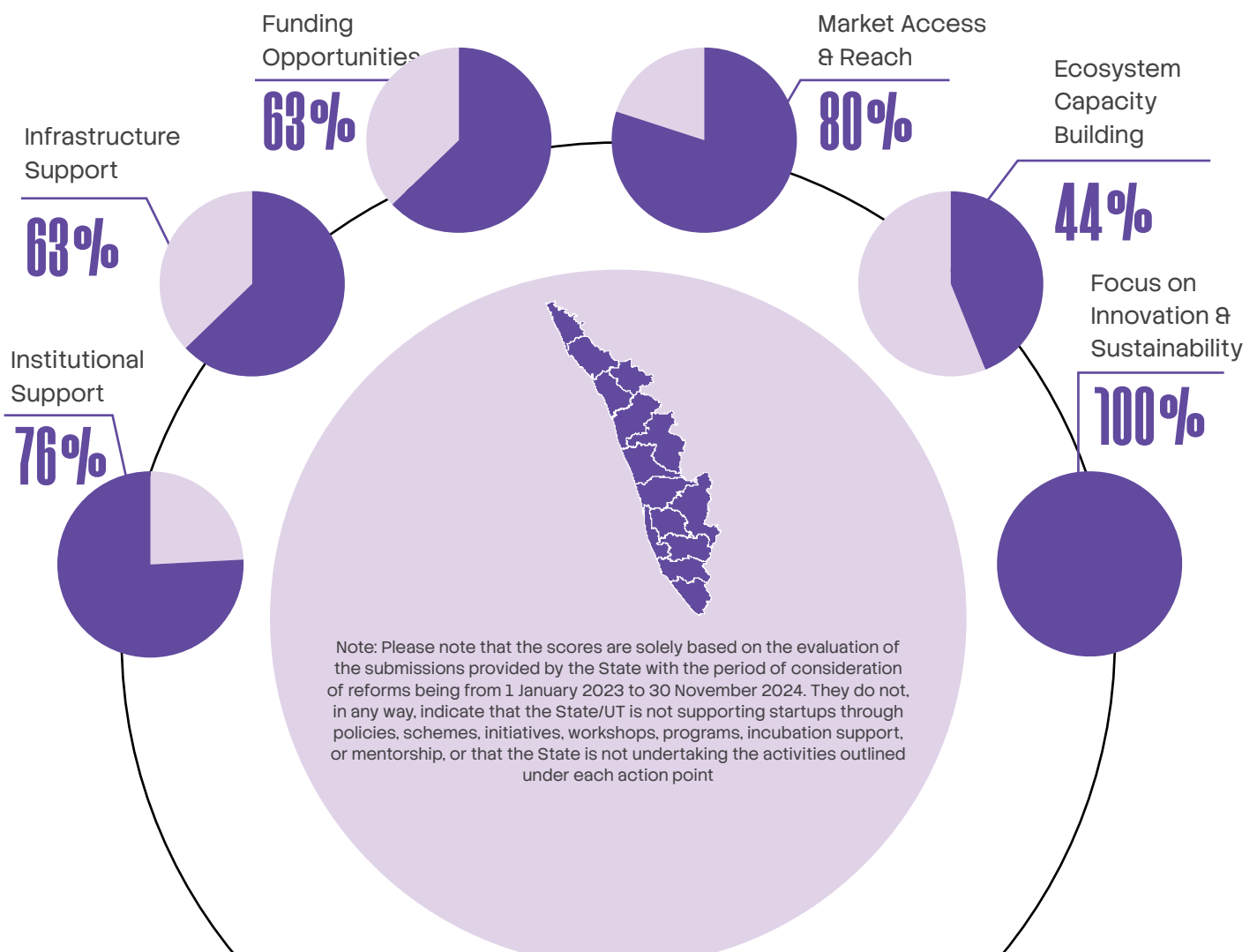
3. States' Startup Ecosystem Ranking Results

Kerala participated in all 6 Reform Areas and 19 Action Points of the 5th edition of States Startup Ecosystem Ranking Framework, and has been positioned as a “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 States/UTs 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 States/UTs in that Reform Area.

Overall, Kerala has been evaluated across 6 Reform Areas that are critical to strengthening and advancing the State's startup ecosystem. 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 Kerala



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

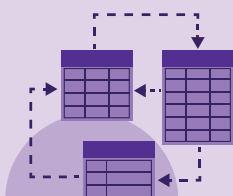


Action Point 6:
Mentorship Support
Provided to Startups

4.2 Performance

5+

Schemes/
Initiatives
in Priority
Sector



130+

Startups
supported
in Priority
Sectors



95+

Mentors providing
mentorship
support to
Startups



210+

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



Unique women-led startups 140+



50+

Startups supported by departments other than the Nodal Department



Institutional support provided to Startups

The State has put in place an institutional framework to support startups through its Startup Policy 'Kerala Startup Policy 2017'. The State also has a dedicated nodal department - Department of Electronics and Information Technology, Government of Kerala and a nodal officer and a dedicated team responsible for startup promotion and facilitation.

In addition to the nodal department, multiple line departments across the State such as Department of Finance, Department of Industries and Commerce among others have extended institutional support to startups in the form of low-interest loans and seed funds etc. As per the documentary evidence submitted, **50+ startups benefitted from the support extended by departments other than the nodal department** during the evaluation period.

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. The list includes Aerospace & Defense, Biotechnology & Life Sciences, Electric Vehicles, Renewable Energy, Nanotechnology, Pharmaceuticals, Logistics, Tourism & Hospitality, and more.

To promote startups operating within the identified priority sectors, the State had **5+ schemes, initiatives / policies / activities operational** during the evaluation period, such as 'Beyond Tomorrow 2024 (Kerala, July 2024): Dialogue and Discussion for Future Work', 'Kochi Design Week 2023', Zero Waste Hackathon and AVGC-XR Kerala Policy, 2024 among others.

As per the documentary evidence submitted, **130+ unique startups have been supported across the identified priority sectors.**

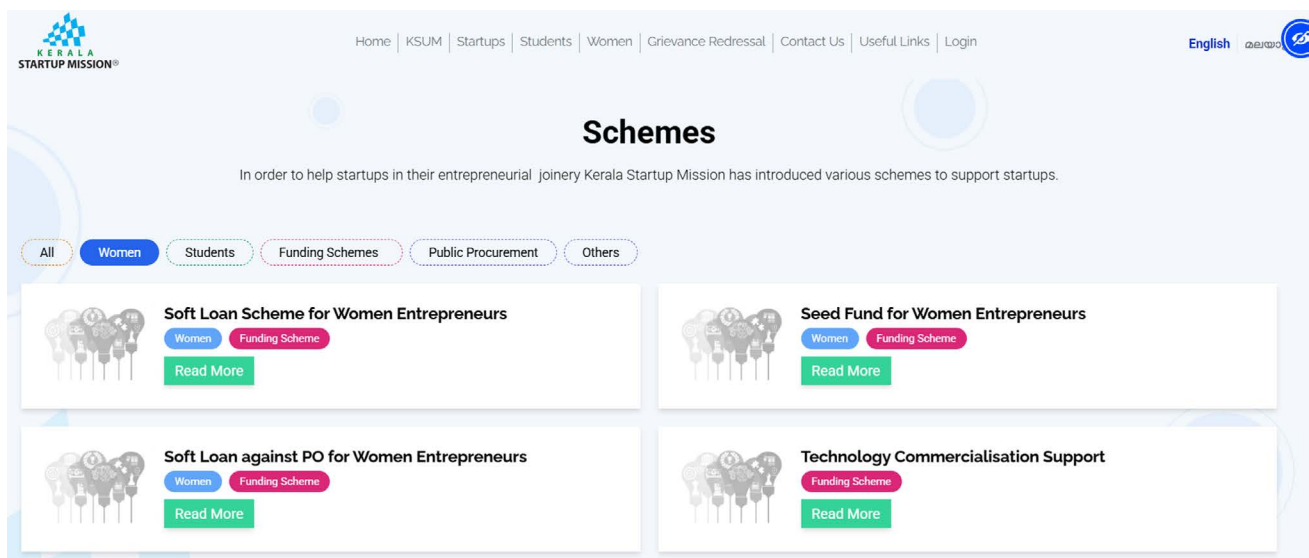
Women Entrepreneurial Development

The State has undertaken focused measures to promote women entrepreneurship as part of its startup ecosystem development efforts. Dedicated incentives and support mechanisms for women-led startups have been introduced through programs and schemes such as 'Kerala – Women in Startup Ecosystem'

(KWISE), KSIDC - WE-Mission, Soft Loan Scheme for Women Entrepreneurs, Seed Fund for Women Entrepreneurs, ElevateHER Investment Readiness Program, WE Start Pre-Incubation Program among others.

As per the documentary evidence submitted, the State has supported **140+ unique women-led startups during the evaluation period.**

Figure 2: Schemes for Women Startups listed in the website of Kerala Startup Mission



For the Growth of Young Entrepreneurs

The State has implemented structured interventions to encourage entrepreneurship among students and young innovators through educational institutions. During the evaluation period, Kerala implemented **210+ such comprehensive support structures / schemes / programs aimed at supporting student entrepreneurs.**

Some of these include programs such as Smart India Hackathon, Startup Spotlight, Breaking Barriers, LinkedIn Profile Building Workshop, Digital Marketing Bootcamp etc.

Entrepreneurial Growth in the Social Innovation Landscape

The State has extended targeted support to startups operating in the public welfare and social innovation space in form of financial incentives, incubation and mentoring support and market access support.

The State has also articulated a clear and publicly available criterion for identifying and qualifying public welfare startups, as outlined in its order no. KSUM/TO/12/S1/2023 dated 12 May 2023.

Figure 3: Kerala Startup Mission -Policy Framework

KERALA STARTUP MISSION	
<u>Abstract</u>	
Kerala Startup Mission – Support of Startups in the Public Welfare Sphere- Orders Issued	

KERALA STARTUP MISSION	
No. KSUM/TO/12/SI/2023	Date: 12.05.2023

<u>ORDER</u>	
 Policy Framework for Startups in the Public Welfare Sphere	
Definition	
A startup in the public welfare sphere is an entity leveraging innovation, technology, and entrepreneurship to address societal challenges and improve community well-being. These startups focus on creating sustainable and impactful solutions in areas such as healthcare, education, environmental conservation, rural development, clean energy, and social equity.	
Key Characteristics	
<ol style="list-style-type: none"> 1. Societal Impact: Startups prioritize social benefits, including improving quality of life, promoting inclusivity, and supporting underserved communities. 2. Innovation-Driven: Use of novel technologies or methodologies to address systemic challenges and ensure scalability. 3. Sustainability: Integration of environmental, social, and economic sustainability in operations and objectives. 4. Partnerships: Collaboration with government bodies, NGOs, and private sectors to amplify impact and ensure long-term feasibility. 	

Mentorship Support Provided to Startups

The State has facilitated structured mentorship support for startups as part of its

ecosystem development initiatives. As per the documentary evidence provided, **95+ mentors have been engaged to provide mentorship support to startups within the Kerala during the evaluation period.**

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

3,400+

Startups registered
on the State
Startup portal



145+

Startups provided
incubation Support



9+

New
manufacturing
Incubators Setup



Access to Digital Infrastructure

The State 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. As per the records submitted, **3,400+ startups are registered on the State Startup Portal.**

Kerala 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 support accessibility for persons with disabilities

Figure 4: Grievance Redressal Mechanism on Kerala Startup Portal

The screenshot shows the 'Grievance Redressal' page on the Kerala Startup Portal. The URL in the browser is startupmission.kerala.gov.in/grievance. The page has a dark blue header with the Kerala Startup Mission logo and navigation links: Home, KSUM, Startups, Students, Women, Grievance Redressal, Contact Us, Useful Links, and Login. The main content area is divided into two sections: 'Submit Your Grievance Here' and 'Track Your Grievance'.

Submit Your Grievance Here: This section contains a form with the following fields:

- Name:
- Email:
- Phone:
- Grievance Type: A dropdown menu with 'Incubation Support' selected.
- Subject:
- Message:
- Captcha: A small image with the text '27 + 1' and a corresponding input field.

 A blue 'Submit Grievance' button is located at the bottom of this section.

Track Your Grievance: This section contains a 'Tracking Code' input field and a blue 'Track Now' button.

Access to Physical Infrastructure

The State has strengthened physical infrastructure support for startups, particularly those engaged in manufacturing and hardware sectors, through the establishment and upgradation of incubators and acceleration facilities.

During the evaluation period, Kerala has set up **9+ new incubators**. Further, as per the documentary evidence submitted, **145+ unique startups have received incubation or acceleration support across State-supported incubators and accelerators during the period of consideration.**

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

125+



Startups have received funding through State-supported funds or mechanisms

15+



Programs with pitching sessions for Startups undertaken by state to promote angel funding/equity financing/debt financing

Access to Funding

The State has instituted dedicated funding mechanisms to improve access to capital

for startups. Through Kerala Startup Mission, it has introduced special funding provisions in collaboration with banks and financial institutions to support startups. These initiatives

aim to improve access to timely funding, offer customized products like collateral-free loans and credit guarantees, and simplify loan processes. Key measures include startup loan schemes with favorable terms, credit guarantee support via CGTMSE, dedicated startup cells in banks, and streamlined account opening procedures. Additionally, KSUM promotes financial literacy through awareness and training programs, creating a more accessible and supportive financial ecosystem for startups. Also, KSUM and Yes Bank have engaged in a MoU to offer respective solutions and services to the startups.

During the evaluation period, **125+ startups received funding from the State.**

The State has also undertaken **15+ targeted initiatives to facilitate fundraising for startups by enabling structured interactions with angels, investors, and financial institutions.** These initiatives include VC Bootcamp, Investor Café, Innovation Summit, TiE Capital Café among others.

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

140+

Tenders/RFPs floated by the state govt/ PSUs which allowed the participation of Startups through relaxations.



60+

Unique market access opportunities



30+

Unique startups awarded purchase orders



Market Access Opportunity Provided to Startups through Public Procurement

The state government and PSUs have actively promoted startup participation in public procurement by introducing relaxations in tenders and RFPs. A government order extends benefits beyond standard norms, exempting startups from requirements such as Earnest Money Deposit (EMD), prior work experience, and turnover criteria. These measures have significantly lowered entry barriers, enabling startups to compete for government projects.

During the period of evaluation, **140+ tenders have been floated under these provisions**, demonstrating the state's commitment to fostering inclusivity and creating new business opportunities for emerging enterprises.

Number of Startups Awarded Purchase Orders or Work Orders

The State has enabled tangible market access for startups by awarding purchase orders or work orders through State government departments, agencies, and public sector undertakings such as Kerala State Road Transport Corporation, State Academy on Statistical Administration, Ground Water Department and Kerala State Electricity Board among others. As per the documentary evidence submitted, **30+ startups have been awarded purchase orders or work orders during the evaluation period.**

Access to Domestic and International Market Access Opportunities

The State has undertaken **60+ structured initiatives** to enable startups to access domestic and international markets through

programs that are funded or executed end-to-end by the State, as well as through facilitative partnerships with external agencies.

These include initiatives such as 'Idex Next Gen 2023', 'Leap 2024', 'InNoex 2024', 'Kerala Science Congress' 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.

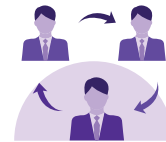
It covers 3 action points:



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

10+

Programs conducted/ supported to sensitize existing and potential ecosystem enablers (Mentors / Investors / Accelerators / Startups)



Number of Programs Conducted to Sensitize Ecosystem Enablers

During the evaluation period, the State conducted workshops such as Huddle Global 2023, the flagship international startup event organized by KSUM, bringing together startups, investors, mentors, industry leaders, and policymakers to foster collaboration, innovation, and entrepreneurship. The event strengthened Kerala's position as a thriving startup hub, provided startups with access to funding and partnerships, enhanced global visibility through international delegations, and showcased cutting-edge technologies. By creating a platform for knowledge exchange and strategic alliances, Huddle Global 2023 reaffirmed Kerala's commitment to building a world-class startup ecosystem and set a benchmark for future editions.

Similarly, the event 'Seeding Kerala 2023' aimed to sensitize and engage existing and potential ecosystem enablers, including High Net-Worth Individuals (HNIs), angel investors, and startups,

to strengthen Kerala's early-stage investment landscape. The event featured keynote addresses, panel discussions, networking sessions, and startup pitches, focusing on critical themes such as funding cycles, gender disparity in investments, and valuation strategies. As per the documentary evidence submitted, the State has conducted or supported **10+ sensitization programs during the evaluation period.**

Number of State-supported Incubators Trained through Capacity Development Workshops

The State has also undertaken capacity development initiatives to strengthen the operational and managerial capabilities of State-supported incubators through structured training workshops and programs. As per the documentary evidence provided, **3+ State-supported incubators** have participated in capacity development workshops during the evaluation period.



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

50+

Startups focused on renewable energy, climate change and sustainability supported by the state government



Facilitating Research and Innovation in the State

The State has undertaken initiatives to strengthen research and innovation within the startup ecosystem. The state provides special provisions to fast-track Intellectual Property Rights (IPR) processes such as patents, trademarks, and copyrights for startups, along with R&D support in identified priority sectors. Through its Research Innovation Network Kerala (RINK) initiative, KSUM connects startups with research institutions to foster innovation. IPRICK under KSCSTE serves as the nodal agency for IPR services and offers financial assistance for filing applications, reducing the cost burden for innovators and entrepreneurs.

Support to Startups for a Sustainable Future

During the evaluation period, **2+ active policies or scheme supporting startups in the circular economy and sustainability domains have been implemented by the State.**

As per the documentary evidence submitted, the State has supported **50+ 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 strengthen policies to support startups in the Circular Economy and increase assistance for those focused on renewable energy, climate change, and sustainability.
- The State may consider strengthening access to early-stage capital by setting up additional seed funds and funds of funds, while also enhancing the scale and effectiveness of existing instruments.
- The State may improve the timeliness and predictability of approved support by defining clear internal timelines for application processing and fund disbursement, supported by transparent status tracking and regular communication with startups to build trust and reduce uncertainty.
- The State may enhance support for startups working in public welfare domains by scaling-up awareness campaigns, providing targeted grants, challenge-based funding with a clear impact measurement framework.
- The state may set up new incubators and upgrade the existing incubators to support manufacturing or hardware startups for enhancing incubation support through pre-incubation centres .



11. Annexures

List of Figures

Figure 1: Reform area wise scores for Kerala

Figure 2: Schemes for Women Startups listed in the website of Kerala Startup Mission

Figure 3: Kerala Startup Mission -Policy Framework

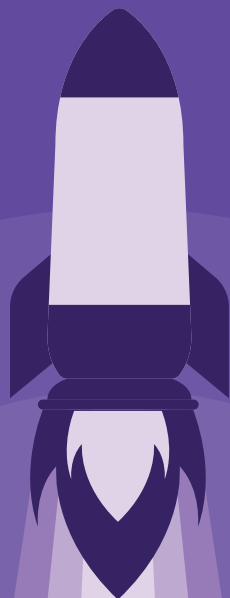
Figure 4: Grievance Redressal Mechanism on Kerala Startup Portal

12. Bibliography

- RBI Handbook of Statistics on Indian States
(<https://www.rbi.org.in/scripts/AnnualPublications.aspx?head=Handbook+of+Statistics+on+Indian+State>)
- Department for Promotion of Industry and Internal Trade (DPIIT) – FDI Statistics
(<https://www.dpiit.gov.in/static/uploads/2025/12/aba2dd63d322d602edb4b2c2a0130b47.pdf>)
- Federation of Indian Export Organisations (FIEO)
(https://fieo.org/view_section.php?lang=0&id=0,2111,2883)
- Startup India, States' Startup Ecosystem Ranking (5th Edition) Framework
(<https://www.startupindia.gov.in/srf/portal/pdf/5th%20Edition%20of%20States%20Startup%20Ecosystem%20Ranking.pdf>)
- Kerala Startup Mission –
<https://startupmission.kerala.gov.in/>
- Kerala Startup Policy 2017 –
<https://startupmission.kerala.gov.in/file/reports/1f78f49e-fe43-4ffc-b4a5-a84060a27a62.pdf>



DPIIT
#startupindia



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

