



5<sup>th</sup> EDITION | NATIONAL REPORT

# States' Startup Ecosystem Ranking

Celebrating 10 years of Startup India:  
Igniting Innovation at Scale







# 5<sup>th</sup> Edition of States' Startup Ecosystem Ranking

Celebrating 10 years of Startup India:  
Igniting Innovation at Scale

**PUBLISHED BY:**

Startup India, Department for Promotion of Industry  
and Internal Trade (DPIIT)  
Ministry of Commerce & Industry,  
Government of India

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**FOREWORD**

Launched in 2016 under the visionary leadership of our Hon'ble Prime Minister Shri Narendra Modi ji, the Startup India initiative set out to make India a land of opportunity for innovators, entrepreneurs and job creators. As we mark ten transformative years of Startup India, it stands as a reflection of focused policy action, cooperative and competitive federalism and the entrepreneurial spirit of Indians, advancing the vision of *Viksit Bharat @2047*.

Over the past decade, India has emerged as one of the world's leading startup ecosystems, with more than two lakh government-recognised startups across States and Union Territories. This growth reflects the combined efforts of entrepreneurs and States and Union Territories in creating startup-friendly ecosystems, supported by enabling regulatory, financial and institutional frameworks. Startups today are driving innovation across sectors, strengthening value chains, generating employment and contributing to an *Atmanirbhar Bharat*.

Launched in 2018 under the Startup India initiative by DPIIT, the States' Startup Ranking is a unique annual capacity-building exercise to assess the efforts of States and Union Territories in fostering a conducive startup ecosystem. It has encouraged policy innovation, improved the ease of doing business and extended entrepreneurship beyond metropolitan centres to Tier II, Tier III and rural regions. The fifth edition of the States' Startup Ranking reflects the evolving priorities of a maturing startup ecosystem, with a refined framework emphasising outcomes, sustainability and resilience, along with the introduction of new reform areas such as the identification of priority sectors by each State and Union Territory and strengthened physical and digital infrastructure, including incubators.

The participation of 34 out of 36 States and Union Territories underscores a shared commitment to building a future-ready startup ecosystem. As Startup India enters its next decade, States and Union Territories will play a pivotal role in nurturing innovation, supporting scale-ups and enabling global competitiveness. The Government of India remains committed to working with all stakeholders to strengthen policy frameworks, unlock new opportunities and build an innovation-driven India that addresses national priorities while delivering solutions of global relevance.

Piyyush Goyal





## MESSAGE

The Startup India initiative, launched in 2016, has catalysed a significant transformation in India's entrepreneurial landscape. What began with a few hundred recognised startups has today grown into a nationwide ecosystem of over two lakh startups, shaping India's economic future. This journey reflects the aspirations and efforts of young entrepreneurs supported by strong and responsive institutional support that has enabled their growth and success.

The States' Startup Ranking Exercise has played a key role in this progress. By assessing the efforts of States and Union Territories to nurture local startup ecosystems, the Ranking promotes collaboration, healthy competition, and a shared commitment to supporting innovation. It helps identify effective practices on the ground, brings forward learnings from across regions, and supports evidence-based policymaking at the national level.

The fifth edition of the Ranking Framework builds on these efforts with a sharper focus on outcomes and measurable impact. It captures the evolving needs of startups, highlights policy and implementation innovations adopted by States and Union Territories, and documents practical steps being taken to make it easier for startups to start, scale, and succeed. Through workshops, consultations, and structured knowledge-sharing sessions, the exercise ensures that each State and Union Territory is better equipped with the tools and guidance needed to strengthen its support systems.

In parallel, the Government of India remains firmly committed to enabling entrepreneurship across all stages of the startup lifecycle. Initiatives such as the Startup India Seed Fund Scheme and the Fund of Funds for Startups have improved access to capital, encouraged innovation, and created new opportunities for aspiring entrepreneurs. The growing participation of women founders and the rise of startups from smaller towns, with nearly 52 per cent of startups now emerging from Tier II and Tier III cities, underscore the inclusiveness and reach of this movement.

This edition has also witnessed the highest participation to date in the States' Startup Ranking, with 34 States and Union Territories taking part, reflecting a strong collective commitment to strengthening India's startup ecosystem.

I congratulate all participating States and Union Territories for their dedication and continued efforts. Their work is instrumental in building a resilient, inclusive, and future-ready India. I am confident that the insights from this report will further strengthen collaboration and enhance support for our growing community of entrepreneurs.

  
(JITIN PRASADA)





## FOREWORD

Over the past decade, the Startup India initiative has emerged as a key pillar of India's economic growth. What began in 2016 with just 502 recognised startups as a national mission to promote innovation and entrepreneurship has today evolved into a powerful movement, reshaping aspirations, institutions, and opportunities across the country. As Startup India completes a decade, the milestone of over 2,00,000 DPIIT-recognized startups stands as a landmark achievement, reflecting the scale, depth, and maturity of the Indian startup ecosystem.

2. This progress has been driven by the efforts made by the Central Government in partnership with the State Governments to create an environment which encourages entrepreneurship. Actions included creation of tinkering labs at schools, incubation centres linked to R&D laboratories, providing financing at various stages of development of a startup, and reducing burden of compliances on startups allowing them to focus on running their businesses. The interventions have helped India create the large number of job creators, who have established startups and contributed to employment generation, innovation-led growth, and inclusive development.

3. In this context, the States' Startup Ranking Framework has played an important role in serving as a learning-oriented mechanism to recognise administrative leadership, encourage continuous improvement, and encourage peer-to-peer learning among participating States and Union Territories. The fifth edition places greater emphasis on outcomes, sustainability, and effectiveness of policy interventions. It reflects the evolution of India's startup ecosystem and the need to focus on quality of support, ecosystem resilience, and long-term value creation.

4. The Framework's consultative and evidence-based approach is complemented by robust evaluation methodology, including quantitative and qualitative feedback from startups and ecosystem stakeholders. The assessment involved review of over 3,800 submissions received from participating States and Union Territories, encompassing nearly 26 lakh data points evaluated across 19 Action Points. The outcomes of the evaluation were deliberated through 12 Evaluation Committee meetings, with representations from over 33 organisations. The feedback mechanism involved outreach to over 1.3 lakh startup beneficiaries across the including the dissemination of 1.8 lakh emails and more than 9,000 telephonic interactions conducted in nine languages across 34 States and Union Territories. This approach has enabled incorporation of on-ground perspectives into the overall assessment.

5. I extend my appreciation to all key stakeholders for their valuable contributions to this journey. It is through this collective effort that Bharat will continue to unlock new frontiers of innovation-led growth, and shared prosperity.

(Amardeep S. Bhatia)  
13.01.2026





## FOREWORD

The year 2026 marks ten years of the Startup India initiative, a decade that has brought a clear shift in how entrepreneurship is supported and enabled in the country. The initiative has strengthened entrepreneurial mindsets and laid a strong foundation for a nationwide startup culture. One of the clearest indicators of this shift is the evolution of State-level policies. In 2016, only four States had notified startup policies; today, 32 States and Union Territories have their own policy frameworks, supported by nodal departments, dedicated teams, and well-defined incentive mechanisms. This progress reflects the collaborative efforts of both the central and state governments to create an enabling environment for enterprise and innovation.

The States' Startup Ranking Framework (SRF) has been a key instrument in advancing this progress. Designed to bring structure, transparency, and comparability to State-led initiatives, the Framework has enabled States and Union Territories to benchmark their progress, identify gaps, and implement focused reforms. The 6th edition builds on this strong foundation with a sharper focus on outcomes and on how policy efforts translate into tangible benefits for startups on the ground.

This edition evaluates performance across six reform areas and nineteen action points, including Institutional Support, Infrastructure, Funding Opportunities, Market Access and Reach, Ecosystem Capacity Building, and Focus on Innovation and Sustainability. The assessment process incorporates documentary evidence, private ecosystem mapping, and a structured feedback survey. Notably, the feedback survey, accounting for 15 % of the overall score captures the perspectives of startups themselves and provides valuable insights into how government interventions are experienced in practice.

Capacity building remains a core pillar of the Framework. During this edition, three national capacity-building and knowledge exchange workshops were conducted in Kerala, Gujarat, and Nagaland for State Government officials, with participation from an average of 17 States per workshop. These engagements were focused on strengthening implementation capabilities across key reform areas. In addition, sensitisation programmes led by Startup India for state government officials further underscored the collective commitment to building robust and interconnected startup ecosystems.

The 6th edition has also witnessed the highest participation to date, with 34 States and Union Territories taking part in the exercise. This reflects a shared national commitment to building inclusive, innovation-driven economies and learning from best practices across regions.

As India enters the next decade of Startup India, the States' Startup Ranking will continue to play a critical role in guiding policy action, supporting coordinated implementation, and strengthening the foundations of the country's entrepreneurial ecosystem. I extend my sincere appreciation to all participating States and Union Territories who acknowledge the contributions of all stakeholders involved in the successful completion of this edition.

(Sanjiv)

संजीव शर्मा

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## A Decade of Startup India: From Vision to Vibrant Ecosystem

### 1.1 Genesis & Vision of 'Startup India'

The **Startup India Initiative** is a flagship program of the Government of India announced by Hon'ble Prime Minister Narendra Modi in his Independence Day speech on August 16, 2015, and officially launched on January 16, 2016. Conceived under the Department for Promotion of Industry and Internal Trade (DPIIT), the initiative sought to support a robust startup ecosystem by introducing a dedicated action plan focusing on 3 core areas - Simplification and Handholding, Funding Support and Incentives, Industry-Academia Partnership and Incubation<sup>1</sup>

Its genesis lay in the recognition that India's youth, technological talent, and expanding digital infrastructure could transform the nation from a job-seeking to a job-creating economy. Under the action plan, the initiative introduced various reforms and schemes including Startup India Hub, Compliance based on self-certification, Fund of Funds, Credit Guarantee Fund for Startups, Tax exemptions, Annual Incubator Grand Challenge, among various others in order to build a supportive environment that nurtures innovation across sectors and geographies.

<sup>1</sup><https://www.sme.gov.in/sites/default/files/2016-01/Startup%20India%20-%20Policy.pdf>

The year 2025 marks a decade of the Startup India initiative since its launch in 2015, a milestone that reflects India's journey in building a vibrant and inclusive startup ecosystem. Over the past ten years, Startup India has played a key role in igniting innovation at scale by introducing merquee policy reforms & initiatives, strengthening institutions, and expanding opportunities for entrepreneurs.

1.2

# India's Startup Decade

## Milestones & Timeline Infographic

**Launch of Startup India Action Plan:**  
 Outlined 19 action points across simplification, funding, incubation, and industry-academia partnerships.

2016



“हिंदुस्तान का कोई जिला, हिन्दुस्तान का कोई ब्लॉक ऐसा न हो जहाँ आने वाले दिनों में नए स्टार्टअप शुरू न हुए हों। क्या भारत यह सपना नहीं देख सकता कि हम दुनिया में, स्टार्टअप की दुनिया में भारत नंबर एक पर पहुँचेगा, आज हम नहीं हैं। भाईयों और बहनों इस स्टार्टअप को मुझे बल देना है और इसलिए मेरा संकल्प है आने वाले दिनों में स्टार्टअप इंडिया और देश के भविष्य के लिये स्टैडअप इंडिया।”



Hon'ble Prime Minister Shri Narendra Modi on the 68<sup>th</sup> Independence Day of India<sup>1</sup>  
 15<sup>th</sup> August 2015

### Self-Certification under 9 Labour and Environment Laws:

Reduced compliance burden for recognized startups.

### Launch of Startup India Hub:

One of the World's largest virtual incubation platform

### Startup Definition Formalized:

Recognized startups as entities up to 8 years old, turnover below INR 25 crore, and engaged in innovation or scalable business models.

<sup>1</sup> [https://www.president.gov.in/news\\_english-rendering-of-prs-address-to-the-nation-from-the-empire-of-the-red-fort-on-the-68th-independence-day](https://www.president.gov.in/news_english-rendering-of-prs-address-to-the-nation-from-the-empire-of-the-red-fort-on-the-68th-independence-day)



### Tax Incentives Introduced:

3-year income tax holiday under Section 80-IAC of the Income Tax Act.



## 2017



### Launch of International Bridges:

Startup India began its "International Bridges" programme, starting with Israel and Sweden, connecting Indian startups with global ecosystems.

### Relaxation of Public Procurement Norms:

Startups allowed to bid for government tenders without prior experience or turnover criteria.

### Funds of Funds for Startups (FFS) Operationalized

to mobilize funds for late-stage startups



## 2018



### Number of recognized startups:

A total of **8,626** startups were registered under the Startup India initiative.

### Startup India Venture Capital Summit (Goa):

Promoted domestic and global investor connect.

### Simplified Startup Recognition:

Online system integrated with PAN, MCA, and GST for quicker approvals.

### Startup Runway on GeM Launched:

Enabled DPII-recognised startups to list and sell their products/services to government buyers.

### Tax Exemption under Section 56(2)(vii)(b) of the Income Tax Act:

DPII-recognized Startups got exemption from Angel Tax on share premiums received from resident investors.

### Startup India Yatra:

Nationwide bootcamp series across Tier-II and Tier-III cities to promote inclusivity.

### Definition of Startup Revised:

Age limit increased from 5 years to 10 years, turnover threshold raised from **INR 25 crore to INR 100 crore**.

### Launch of National Startup Awards (NSA):

Annual recognition of outstanding startups and ecosystem enablers.



## 2019



### 1st States' Startup Ranking Released:

DPII launched the first-ever States' Startup Ranking on 6 Feb. 2019 to benchmark and encourage state-level support for startups.





2022

### Startup India Innovation Week (January 10-16):

Institutionalized as an annual national event for ecosystem collaboration.

### MAARG portal (Mentorship, Advisory, Assistance, Resilience and Growth) launched

National mentorship platform by Startup India-

### Shanghai Cooperation Organisation (SCO) Special Working Group (SWG) on Startups and Innovation established (proposed by India in 2020)

to boost economic growth and entrepreneurship across SCO members by encouraging collaboration in tech, innovation, and startups, acting as a key platform for knowledge sharing and developing joint ventures for regional development<sup>10</sup>.

### Notified the Credit Guarantee Scheme for Startups (CGSS)

to provide guarantee against credit instruments extended to startups by Scheduled Commercial Banks, All India Financial Institutions (AIFs) Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs)

### Launched ASCEND (Accelerating Startup Calibre & Entrepreneurial Drive) workshops

by Startup India across Northwest in November 2022

### National Startup Day Announced:

The Government of India declared 16 January as National Startup Day to celebrate entrepreneurship and highlight the contributions of startups to India's economy<sup>11</sup>.

Over 50 regulatory reforms have been undertaken by the Government to enhance ease of doing business, ease of raising capital and reduce compliance burden for the startup ecosystem<sup>12</sup>.

### Launch of Startup20:

Official engagement group initiated under the Indian presidency of the G20 2023 to act as the voice of the global startup ecosystem bringing together varied stakeholders on a common platform<sup>13</sup>.

### Launched "Women for Startups" initiative

wherein video podcast series - "SuperStreet Startup India Video Podcast" was organized and capacity-building workshops were conducted, impacting over **1,300 women entrepreneurs** across 22 states and 24 districts, with **200 startups** pitching to investors and incubators<sup>14</sup>.

### Introduction of Startup Credit Guarantee Scheme:

Enabled collateral-free loans up to ₹800 crore.

### India crossed 1 lakh+ startups recognised by DPIIT.



2023

2024



### Launch of 1st edition of Startup Mahakumbh:

Hon'ble Prime Minister Shri Narendra Modi launched Startup Mahakumbh which featured over **3,000 startups**, **1,000+ investors and incubators**, and **10,000+ delegates from 50+ countries**<sup>1</sup>.

### Launch of Bharat Startup Knowledge Access Registry (BHASKAR)

Central hub where startups, investors, service providers, and government bodies can collaborate and exchange ideas.

### Angel Tax Exemption Simplified:

DPIIT-recognized startups exempted under Section 56(2)(viib)

2025



India crossed **2 lakh+ startups** recognised by DPIIT – a major milestone<sup>2</sup>

Hon'ble Minister of Finance Smt. Nirmala Sitharaman announced **Fund of Funds for Startups (FFS) 2.0** during **Budget 2024-25**, extending and scaling existing ₹10,000 Cr. FFS corpus with an additional ₹10,000 Cr. corpus to further boost funding for startups.

### PRABHAAV Factbook released:

The Department for Promotion of Industry and Internal Trade (DPIIT) formally launched the 9 Year startup ecosystem factbook capturing data from 2016-2024<sup>3</sup>.

### Launched Bharat Startup Grand Challenge

for entrepreneurs in collaboration with **20 large corporations**<sup>4</sup>.

### Launch of 2<sup>nd</sup> edition of Startup Mahakumbh:

Under the theme 'Startup India @ 2047: unfolding the Bharat Story', the event highlighted disruptive innovations from across India, especially Tier 2 and 3 cities, with **2,923 exhibitors**, **1,03,349 unique attendees**, and over **2.6 lakh exhibition footfall**. It had **10 thematic tracks** featuring **761 speakers**, **211 curated sessions**, **16,903 B2B meetings** and participation from over **60 countries**.

<sup>1</sup> <https://www.pib.gov.in/Press-Release-Details.aspx?PRID=182228&Pg=0&Page=2>

<sup>2</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>3</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>4</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>5</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>6</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>7</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>8</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>9</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>10</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>11</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>12</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

<sup>13</sup> <https://www.dpiit.gov.in/press-releases/india-crosses-2-lakh-recognized-startups>

## 1.3 Policy Milestones & Reforms over the Decade

Marking a transformative decade, the Startup India initiative has redefined India's innovation and entrepreneurship landscape, turning intent into impactful outcomes.

Over ten years, India has emerged as the 3<sup>rd</sup> largest startup ecosystem in the world,



promoting a culture of innovation that spans across sectors and geographies.

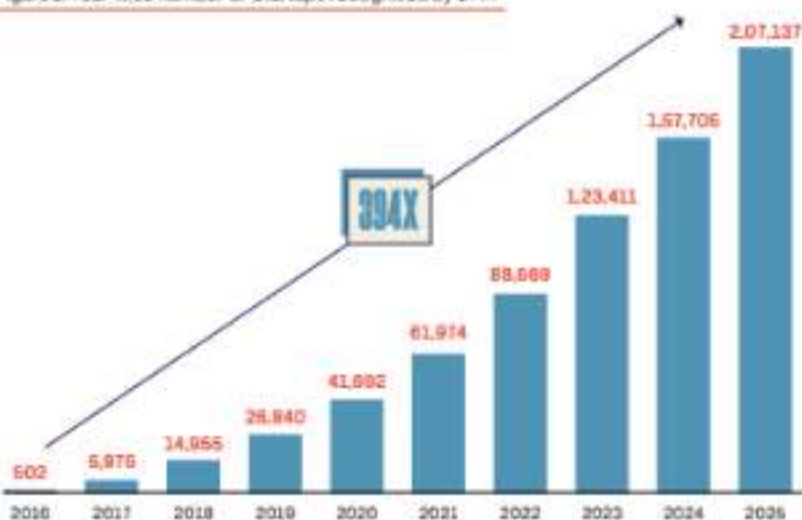
From just around 600 recognized startups in 2016, India today boasts

**2.07** lakh DPWT-recognized startups<sup>\*\*</sup>

in 2026 – a 394X increase in less than a decade.



Figure 1: Year-wise number of Startups recognized by DPIIT



\* Results of <https://www.startupindia.gov.in>

These Startups, over a decade, collectively generated over **2.19 lakh jobs**.<sup>10</sup> Policy measures such as DPIIT recognition, faster incorporation, simplified compliance, self-certification, Section 80-IAC tax relief, angel tax abolished and easier exit mechanisms have streamlined the startup journey. The 'Gem Startup Runway' platform

provides startups with a dedicated space to offer products and services to the Government. As of 30<sup>th</sup> June 2025, 31,948 startup suppliers are onboarded on Gem that have provided an order volume of 4,42,186 worth INR 41,660 crores.<sup>11</sup>



<sup>10</sup> <https://www.pib.gov.in/Press-Release-Details.aspx?prid=192024>  
<sup>11</sup> <https://gem.gov.in/>

Figure 2: Jobs created by Startups in India

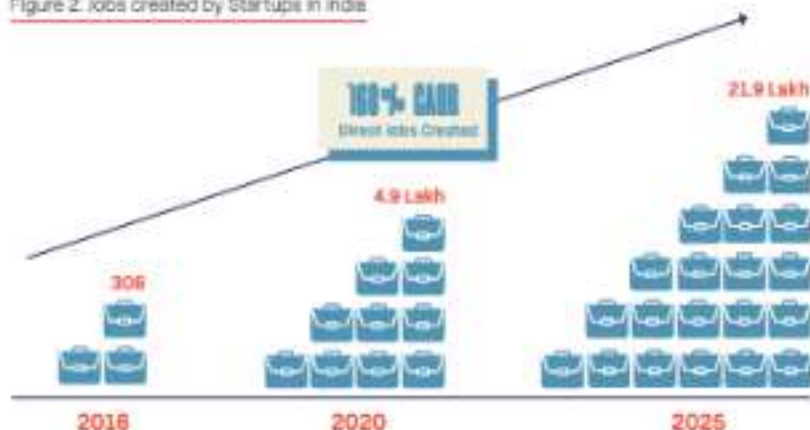


Figure 3: States with most issued certificates



Targeted funding initiatives like the Fund of Funds (FFoF) and the Startup India Seed Fund Scheme (SIFS), along with market access through GeM, public procurement relaxations, and sandboxing have further strengthened the ecosystem.

In parallel, national innovation programs (DEX defense, MHTY Startup Hub, DST NIDH, BRAC

IT-Space) complemented by state-level missions, have created a dense support network that reduced entry barriers, de-risked early stages, and expanded demand.

The result is a broad-based ecosystem spread across 70+ districts<sup>16</sup>, demonstrating the truly pan-India nature of this movement.

<sup>16</sup> As per the DPIIT database.



**118+** Unicorns in India: 30X growth since 2014<sup>24</sup>

**348+** Sooncoms in India (as of 1st Sep 2026)<sup>25</sup>

**100 Startups**

on an average recognized per day in 2025

**53%** Startups from Tier 2 & Tier 3 cities<sup>26</sup>



**56** industries represented in Startups<sup>27</sup>



**5 Multilateral engagements**

undertaken as part of global collaborations<sup>28</sup>

**850+ startup beneficiaries**

from global collaborations<sup>29</sup>

**20** International Bridges for startup exposure and support<sup>30</sup>

**25**

active countries in addition to bridge countries where startup cooperation is in play<sup>31</sup>



24 <https://the42group.com/india-unicorn-30x-growth-since-2014-the-comprehensive-list-of-unicorns-in-india/>

25 <https://www.fool.com/>

26 <https://startup.in/a/2025/>

27 <https://startup.in/a/2025/>

28 <https://www.startup.in/a/global-collaborations-for-startups-international/>

29 <https://www.startup.in/a/global-collaborations-for-startups-international/>

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40 <https://www.startup.in/a/global-collaborations-for-startups-international/>

The innovation momentum continues to strengthen, with **88,000+ patents filed in 2024-26** and **8,400+ patented startups**, underscoring the country's growing emphasis on IP-led innovation.

Diversity and inclusion have also become defining features of this ecosystem, with **98,800+ startups led by women directors**, supported by **898 mentors** and more than **1,600 incubators and accelerators** across the country.<sup>14</sup>

This provides evidence that consistent, mission-oriented policy and capital intermediation can compound into jobs, innovation and global competitiveness at scale.

Figure 4. Sectoral diversification and growth of startups

## THE NIPPLE EFFECT



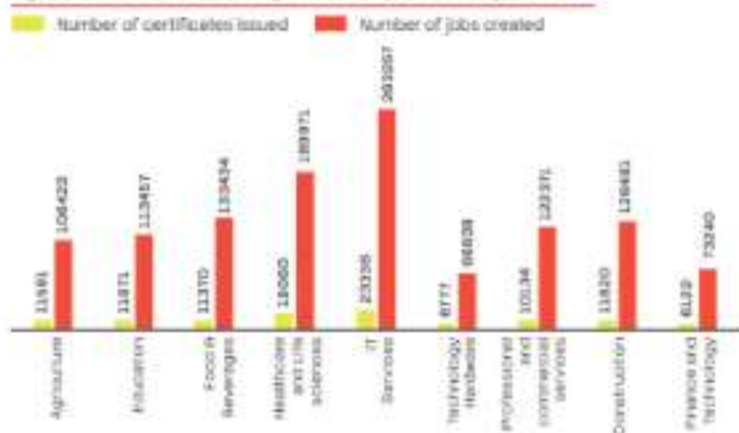
From metro to Smart, Tier-II & III cities now host **50%+ startups**

Sectoral diversification: From IT & fintech to deeptech, agritech, health, EVs, and climate tech

## 1.4 DPIIT-recognized Startups across key industries

IT Services leading in number of DPIIT-recognized Startups (based on number of certificates issued), and number of jobs created as of October 2026<sup>14</sup>, followed by Healthcare & Lifesciences, and Food & Beverages.

Figure 5. Number of DPIIT recognized Startups across key industries



<sup>14</sup> Startup India (DPIIT)

<sup>15</sup> Job numbers are self-reported



## A Pulse on India's Startup Ecosystem: Today's Trends and Tomorrow's Opportunities

### 2.1 Overview of Indian Startup Ecosystem

India's startup ecosystem has evolved into one of the most dynamic and diverse in the world, transforming from a handful of technology-focused ventures in the early 2000s into a nationwide innovation movement.

The Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry, has established a

formal and uniform definition for 'startup' in India to ensure targeted policy support, regulatory clarity, and consistency in recognition across sectors and states. As per the official framework, the formal definition and eligibility criteria for startups are prescribed under the G.S.R. Notification 1271E dated 18 February 2019<sup>11</sup>, issued by DPIIT, the nodal department for startup recognition and policy formulation in India.

<sup>11</sup> <https://www.mca.gov.in/publications/gsr-notification-dated-18-february-2019-subject-definition-of-startup>



## 2.2 Role of Central Government

The Government has shifted from passive regulation to active stewardship in shaping India's startup ecosystem through policy reforms, financing, infrastructure, and market creation. Its multi-pronged approach—policy support, financial incentives, digital infrastructure, and institutional facilitation—has encouraged a thriving environment. DPIIT, as the nodal department,

streamlined regulations, launched funding schemes, and promoted ease of doing business, while sectoral ministries introduced targeted interventions. Together, these efforts provide startups with capital, mentorship, markets, and technology, laying the foundation for sustainable, inclusive growth.

### 2.2.1 Initiatives by Startup India DPIIT

All DPIIT-recognized startups are eligible for a wide array of benefits. Under the Startup India initiative, DPIIT has launched a wide array of schemes, platforms, and reforms aimed at nurturing a robust national startup ecosystem.

They provide direct financial and infrastructural support and address the diverse funding needs of startups starting from ideation and seed support to growth-stage equity and debt access, and sectoral innovation grants.

## Flagship Initiatives Instituted by Startup India over the Decade

# 1.

**Tax Exemption under Section 80-IAC of the Income Tax Act**

Section 80-IAC allows eligible startups to claim 100% profit deduction for any 3 consecutive years within 10 years of incorporation. Startups incorporated between April 1, 2016, and April 1, 2020, can apply by obtaining an IIC Certificate of Eligibility.

<h1>2.</h1>		<ul style="list-style-type: none"> <li>- BHASKAR is a unified digital platform connecting India's startup ecosystem for collaboration, knowledge sharing, and discoverability.</li> </ul>
<h2>BHASKAR (Bharat Startup Knowledge Access Registry)</h2>		<ul style="list-style-type: none"> <li>- It aims to be the world's largest digital registry, offering a unique BHASKAR ID for personalized, streamlined interactions that drive innovation and position India as a global entrepreneurship leader.</li> <li>- Over 633,621 users have registered on BHASKAR, strengthening India's startup ecosystem.<sup>14</sup></li> </ul>

<h1>3.</h1>		<ul style="list-style-type: none"> <li>- Launched in 2016 with a INR 10,000 crore corpus, FFS strengthens the startup ecosystem by channeling capital through SEBI-registered AIFs rather than directly investing in startups. Managed by SIDBI, FFS selects AIFs and oversees fund disbursement to improve access to domestic capital.<sup>15</sup></li> </ul>
<h2>Fund of Funds for Startups (FFS)</h2>		<ul style="list-style-type: none"> <li>- As of June 2026, INR 11,968 crores have been committed to 166 AIFs by SIDBI under FFS. A total of INR 7,286.29 crore has been released from DPET to SIDBI, out of which INR 6,221 crore has been disbursed to AIFs. The initiative has catalyzed investments amounting to INR 23,678 crore in 1,282 startups.</li> </ul>

<h1>4.</h1>		<ul style="list-style-type: none"> <li>- Launched in 2022, CGSS provides credit guarantees for loans to DPET-recognized startups through banks, NBFCs, and SEBI-registered venture Debt Funds. Managed by NCGFC, the scheme now offers enhanced coverage, rising the per-borrower limit from INR 10 crore to INR 20 crore.<sup>16</sup></li> </ul>
<h2>Credit Guarantee Scheme for Startups (CGSS)</h2>		<ul style="list-style-type: none"> <li>- As on 31st October 2026, loans worth INR 766.25 crores have been guaranteed to 251 unique borrowers, i.e., startups.</li> </ul>

<sup>14</sup> <https://www.startupIndia.gov.in/bhaskar.html>

<sup>15</sup> <https://www.pib.gov.in/PressReleaseofMinistryPages.aspx?ID=1393994>

<sup>16</sup> <https://www.startupIndia.gov.in/press-releases/16th-nov-2022/guarantee-scheme-for-startups.html>

<h1>5.</h1>	 	<ul style="list-style-type: none"> <li>- The SIFRS was launched by DPIIT on 10th April 2021 with a budget of INR 945 crore. It is designed to support early-stage startups by offering financial assistance for activities such as proof of concept, prototype development, product trials, market entry and commercialization.<sup>14</sup></li> <li>- As on 30th June 2025, 244 incubator applications have been approved so far by the EAC for support of INR 945 crore (including 5% management fees). The approved incubators have selected 2,942 startups and a total of INR 622.42 crore have been approved to these startups on the portal.</li> </ul>
<h1>6.</h1>	 	<ul style="list-style-type: none"> <li>- India Investor Connect, launched by DPIIT on March 11, 2020, is an AI-driven platform that connects startups with investors through intelligent matchmaking and a streamlined application process. It serves as a virtual marketplace for entrepreneurs to showcase ideas, engage multiple investors efficiently, and promote transparency while expanding access to emerging cities for inclusive growth and innovation.</li> <li>- A total of 9,632 startups have registered on the platform, along with 126 investors. So far, there are 44 active investment opportunities, and 6,193 startups have responded to these opportunities.<sup>15</sup></li> </ul>

<sup>14</sup> <https://www.sifrs.gov.in/information-to-the-public>

<sup>15</sup> <https://www.investorconnect.startupindia.gov.in/>

<h1>7.</h1>	 	<ul style="list-style-type: none"> <li>- MAARG launched by DPIIT under the Ministry of Commerce and Industry, is Startup India's National Mentorship Platform. It connects founders with academicians, industry leaders, entrepreneurs, investors, and experts for personalized guidance.</li> <li>- Through MAARG, startups gain clarity on growth strategies, overcome challenges, and access practical advice to accelerate their journey<sup>14</sup></li> </ul>
<p><b>MAARG</b> (Mentorship, Advisory, Assistance, Resilience, and Growth)</p>		

<h1>8.</h1>		<ul style="list-style-type: none"> <li>- SSF was launched by DPIIT in 2018. SSF is an annual benchmarking exercise that evaluates states and UTs on their efforts to build startup ecosystems.</li> <li>- It drives policy reforms, best practices, and structured monitoring through five successful editions.</li> </ul>
<p><b>States' Startup Framework (SSF)</b></p>		

<h1>9.</h1>		<ul style="list-style-type: none"> <li>- NSA recognizes startups and ecosystem enablers creating innovative, scalable solutions with high potential for employment, wealth creation, and social impact.</li> <li>- Since 2010, NSA has honored top contributors through successive editions, featuring winners across diverse sectors and sub-sectors, driving excellence in India's startup ecosystem.</li> </ul>
<p><b>The National Startup Awards (NSA)</b></p>		

<sup>14</sup> <https://maarg.gov.in/startup/maarg.html>

10.		<ul style="list-style-type: none"> <li>- GeM is India's public procurement platform promoting transparency and inclusivity. Its Startup Runway enables DPET-recognized startups to bid directly to government buyers without prior experience or turnover requirements.</li> <li>- Benefits include L1D exemption, procurement preference, and free online registration, encouraging participation from startups, MSMEs, and women entrepreneurs under preferential policies.<sup>19</sup></li> </ul>
Government e-Marketplace (GeM) – Startup Runway		
11.		<ul style="list-style-type: none"> <li>- The Finance Act 2020 allows eligible startups under Section 80-IAC to defer ESOP perquisite tax. Payment can be made within 14 days of the earliest of three events: four years after the relevant assessment year, sale of shares, or the employee leaving the startup.</li> </ul>
Deferment of Tax Liability Pertaining to ESOPs		
12.		<ul style="list-style-type: none"> <li>- The Ministry of Corporate Affairs classifies startups as fast-track firms, enabling them to wind up operations within 90 days instead of 180. Startups with simple debt structures or meeting prescribed criteria can close within 90 days of filing for fast-track winding up.</li> </ul>
Faster Exit for Startups		

<sup>19</sup> <https://gem.gov.in/>

<h1>13.</h1>		<ul style="list-style-type: none"> <li>- Startups can self-certify compliance under nine labour and three environmental laws for a period of three to five years from incorporation.</li> </ul>
<p><b>Self-Certification under Labor &amp; Environment Laws</b></p>		

<h1>14.</h1>		<ul style="list-style-type: none"> <li>- Under the SPIF scheme, startups can fast-track patent applications, paying only statutory fees while the government covers facilitator charges. They receive 60% rebate on patent filing fees and 50% on trademark filing fees, along with IPR advisory and international protection guidance.</li> </ul>
<p><b>Support for Intellectual Property Protection</b></p>		

<h1>15.</h1>		<ul style="list-style-type: none"> <li>- DPIIT engages continuously with startups, investors, and stakeholders to resolve regulatory issues, improve ease of doing business, facilitate capital raising, and reduce compliance burdens. Recommendations are shared with relevant departments to drive necessary reforms.</li> </ul>
<p><b>Regulatory Reforms</b></p>		

<h1>16.</h1>		<ul style="list-style-type: none"> <li>- DPIIT-recognized startups enjoy exemptions from prior turnover, prior experience, and earnest money deposit in Central Government procurements. They can also register as sellers on the Government e-Marketplace (GeM), India's largest e-procurement portal.</li> <li>- As on 31<sup>st</sup> October 2026, 34,446 startups are onboarded on GeM portal that have received 4,86,778 orders worth ₹64,47,558 Crore.</li> </ul>
<p><b>Relaxation in Public Procurement Norms</b></p>		

<p><b>17.</b></p> <p><b>Startup India Innovation Week</b></p>		<ul style="list-style-type: none"> <li>- A flagship event bringing together startups, investors, incubators, banks, policymakers, and global stakeholders to celebrate entrepreneurship and encourage innovation.</li> </ul>
<p><b>18.</b></p> <p><b>ASCEND</b></p>		<ul style="list-style-type: none"> <li>- Under ASCEND, sensitization workshops were conducted across all eight North Eastern States to build capacity, enhance entrepreneurial knowledge, and strengthen the regional startup ecosystem.</li> </ul>
<p><b>19.</b></p> <p><b>PRABANDH – Startup India International Summit</b></p>		<ul style="list-style-type: none"> <li>- Held virtually on January 15-16, 2021, to mark five years of Startup India, the summit featured 200+ speakers from India and global ecosystems across 24 sessions on innovation, entrepreneurship, and best practices.</li> </ul>
<p><b>20.</b></p> <p><b>States/WIs Portal API Integration</b></p>		<ul style="list-style-type: none"> <li>- This initiative enables seamless data sharing between Startup India and State nodal agencies, eliminating duplicate submissions and auto-populating verified details from DPIIT recognition certificates.</li> </ul>

<h1>21.</h1>		<ul style="list-style-type: none"> <li>- Launched in 2017 to reach Tier 2 and Tier 3 cities, the Yatra identifies entrepreneurial talent and provides access to incubation and mentorship.</li> <li>- It has covered 22 States, 236 districts, impacted 78,346 entrepreneurs, and resulted in 1,424 incubation offers.</li> </ul>
<h2>Startup India Yatra</h2>		

<h1>22.</h1>		<ul style="list-style-type: none"> <li>- The annual flagship event of India's startup ecosystem, supported by Startup India and DPIIT, encourage inclusive growth, innovation, and global collaboration aligned with Vision 2047.</li> <li>- The 2026 edition saw participation from 60+ countries and 30+ States/UTs. The Startup Mahakumbh's Grand Challenge facilitated 293 high-impact DPIIT-recognized startups with funding, mentorship, and market access, reinforcing India's position as a global innovation hub.</li> </ul>
<h2>Startup Mahakumbh</h2>		

<h1>23.</h1>		<ul style="list-style-type: none"> <li>- DPIIT's District Outreach Initiative promotes entrepreneurship in Tier II, Tier III, and rural regions through targeted interventions and collaboration with State/UT officials. Coverage of districts without DPIIT-recognized startups has expanded from 60% (pre-April 2024) to over 65%, strengthening inclusivity in the startup ecosystem.</li> </ul>
<h2>District Outreach – Grassroots Entrepreneurship</h2>		

## International Bridges & Alliances



@shubhrozk

### International Bridges & Alliances

Connecting Indian startups with global ecosystems remains a core pillar of the Startup India Initiative. This objective has been advanced through Startup Bridges, international partnerships, and sustained engagement in global forums and events. As of 2025, Startup Bridges with 20 countries and strategic alliances with two others have been operationalized.

During 2025, 10+ incoming international delegations from Germany, Japan, Qatar, Saudi Arabia, Argentina, Chile, and Italy were hosted, including high-level representatives from governments and global investment institutions. Witnessed participation from 40+ Indian unicorns and soon-to-be unicorns.

Led two key multilateral forums in 2025 - First-ever BRICS Startup Forum resulted in the launch of the BRICS Startup Knowledge Hub, while the G20 Startup Forum 5.0, held alongside the Startup Mahakumbh.

Besides, 10 outbound delegations to leading international startup events and innovation hubs across Asia, Europe, the Middle East, and Latin America witnessing participation of 70+ Indian startups participated through exhibitions, pitching sessions, and structured networking. Impact included signing of two international MoUs and global recognition for Indian startups, notably at Sushi Tech Tokyo 2025.

In addition, Startup India supported several high-level ministerial delegations led by the honorable Minister of Commerce and Industry to key innovation destinations, ensuring strong representation of Indian startups at global business and innovation forums. Collectively, these international bridge-building efforts have strengthened India's global startup footprint, enhanced cross-border collaboration, and reinforced India's position as a leading innovation-driven economy.



25.

Global  
Engagements

- Startup India has established 22 International Startup Bridges and Alliances, creating a landing platform for cross-border collaboration and market access.
- DPIIT spearheads global initiatives launched Startup20 under India's G20 Presidency, chairs SCO Startup Working Group, and hosts BRCC forums.

26.

DPIIT Startups  
delegations at  
Global Events

- DPIIT has facilitated participation of Indian startups at various global events including SWITCH Singapore, Giban Saudi Arabia, Slush Finland, Visa Tech France, among others.

27.

Shanghai  
Cooperation  
Organization  
Startup  
Engagements (SCO)

- SCO established in 2001, created a Special Working Group on Startups and Innovation at the 2022 Samarkand Summit, an initiative proposed by India. In 2023, India became the permanent chair, leading programs to empower SCO startup ecosystems through mentoring, investor access, and cross-border engagement.

28.

 Bharat  
Startup  
Grand Challenge  
(BSGC)

- Under BSGC, DPIIT approved 76+ grand challenges as of 30 November 2025, in line with the target to launch 76 challenges by January 2026. Of these, 16 challenges have been concluded, 29 are ongoing, and 32 are in the pipeline.
- 60 startups have been selected as winners across concluded challenges, the majority being DPIIT-recognised.
- Partner organisations have committed more than INR 18 crore in cumulative support, including cash prizes and grants, incubation and acceleration support, mentorship, digital and cloud credits, pilot opportunities, and go-to-market assistance.

Startup India has also engaged with various Government Departments and Corporates for assisting them in **launching startup challenges** in various sectors and domains. A few examples are shared below:

## 1 Manufacturing Accelerator Program

The program was launched on 30 January 2025 by Startup India, DPIIT and HDFC Bank under the 5th and 6th Startup Grand Challenge to boost innovation and global competitiveness in manufacturing.

Winning startups can receive grants of up to

**₹40 lakhs** equity funding, and other incentives.



## 2 Gaming for Good- Powering Healthcare

It was introduced on 11 February 2025 by Winzo Games in collaboration with Startup India and DPIIT to harness gaming for healthcare solutions.

One winner received INR 1 lakh and access to Winzo's

**₹400 crore fund.**

The challenge concluded during Startup Mahakumbh 2025.



3

## Bharat Startup Grand Challenge with Stride Ventures

Launched on 25 February 2026, focusing on sustainable recycling, e-mobility, and carbon-neutral technologies.



A woman-led startup secured debt/equity funding of up to

**₹15 crore**

Concluded at Startup Mahakumbh 2026

4

Winners received **₹2.5 lakh & ₹1 lakh,**

along with mentorship. The results were announced on 24 June 2026.

Released on 17 April 2026 to enhance travel discoverability, affordability, and experiences.

## Flipkart Tourism Challenge



5

## Zomato Packathon Challenge

The top three startups won **₹10 lakhs, ₹5 lakh & ₹3 lakh,** while others received mentorship. Over 100 participants attended the showcase event.

Launched on 1 February 2026 to develop plastic-free food delivery packaging solutions.



Startups competed for

**₹24 lakh** in cash prizes, **₹15 lakh** in incubation support,

with Atal Innovation Mission onboarded as an incubation partner.

Launched on 28 Feb 2024 by the Ministry of Textiles in partnership with Startup India to drive innovation in the textiles sector. Focus areas included supply chain efficiency, sustainable materials, and textile recycling.

## Textiles Innovation Challenge



The award ceremony at Yashiva Bhawan featured government officials and industry leaders. Winners received cash grants, market access, and mentorship, accelerating India's green innovation journey.

Hosted under Startup India's CleanTech sector, this challenge attracted

**400+** applications

from 26 States and Union Territories. Twelve finalists pitched to a Grand Jury comprising eminent personalities.

## Avaana-Startup India ClimateTech Grand Challenge

## NXP India Tech Startup Challenge

Launched on 19 February 2024, the fourth edition of the challenge was conducted in collaboration with Startup India.

Four DPIIT-recognized startups received a cumulative prize of

**₹11 lakhs,**

along with mentorship and access to potential investors and partners within the NXP network.



9

## Food Processing Startup Grand Challenge 2.0

Launched on 21 Jun 2024 by the Ministry of Food Processing Industries with Startup India to generate innovative ideas, identify barriers to adoption, and enable collaboration with industry experts.



Winners received incubation and acceleration support through NIFTEM.

Selected startups received technical guidance from ISRO experts.



Launched on 16 Aug 2022 by DPIIT and ISRO to develop indigenous NavIC-enabled drones for farm damage assessment and data processing.

## NavIC Grand challenge

10

11

## Boogle AI Startup School

Conducted from 20 Aug to 11 Oct 2024 in partnership with Startup India, DPIIT, and Melty Startup Hub.

The program equipped early-stage founders with tools to build AI-powered businesses through virtual sessions, expert panels, and fireside chats covering AI, Gen AI, Cloud, and ad technologies.



The Startup Kick-off Pitch featured six DPIIT-recognized retail-tech startups with NutriMojo winning and engaging with Fluid Ventures for potential funding of INR 50-75 lakhs.

At the 4<sup>th</sup> E-commerce and Digital Natives Summit held on 4-5 September 2024 in Bengaluru, ET Retail partnered with Startup India for a series of key engagements.

12

## ET Retail Awards





16

## Startup Grand Challenge in Silk sector

The winners were announced during the Bharat Tex Program in February 2026.

Launched on 10 December 2024, the Wool Innovation Challenge, conducted by the Central Wool Development Board (CWDB), Ministry of Textiles in collaboration with Startup India and DPIIT, aimed to address real-time challenges in the wool industry.

Launched on 10 December 2024, the Startup Grand Challenge in Silk Sector, conducted by the Central Silk Board (CSB), Ministry of Textiles in collaboration with Startup India and DPIIT, aimed to address two real-time challenges in the silk industry.

Two winners per problem statement were selected, and the results were announced during the Bharat Tex Program in February 2026.

15

## Wool Innovation Challenge

Winners were announced during Bharat Tex 2025.

Launched on 6 Dec 2024 by the National Jute Board with Startup India and DPIIT to address real-time challenges in the jute industry.

14

## Jute Technological Innovation Grand Challenge 2024

Startup India also joined a panel on AI-Driven customer journeys and participated in the eDNA Awards jury on 27 Aug 2024 to shortlist top e-commerce platforms and brands.

13

## Yoga Tech Challenge 2024

Organised by the Ministry of Ayush with Startup India to create tech solutions enhancing yoga practice through tracking, personalized guidance, and immersive experiences.

Winners received

₹ 75,000,  
₹ 50,000  
& ₹ 25,000  
respectively



## 2.2.2 Regulatory Reforms

Over the past few years, the Government of India has undertaken **63 key regulatory reforms to strengthen and streamline the startup ecosystem**. These reforms aim to simplify compliance, enhance ease of doing business, and encourage innovation-driven entrepreneurship. By addressing critical areas such as taxation, funding, intellectual property,

and operational flexibility, these measures create a more enabling environment for startups to grow, scale, and contribute to India's economic and technological advancement.

A detailed list of the 63 key regulatory reforms undertaken to strengthen the startup ecosystem is provided in Annexure.

## 2.2.3 Initiatives by Other Ministries / Departments

Figure 6: Initiatives undertaken by Ministries/Departments

### Innovation for Defense Excellence

- Launched by the Ministry of Defence, implemented through Defense Innovation Organization (DIO).
- It aims to create a strong ecosystem for defense and aerospace innovation by engaging MSMEs, startups, individual innovators, R&D institutions, and academia.



### Technology Development Fund

- Launched in 2018, an initiative under the Ministry of Defence.
- TDF promotes MSME and startup participation to build an innovation-driven ecosystem and strengthen indigenous capabilities in advanced defense technologies.



## IN-SPACE Seed Fund Scheme

- The scheme supports early-stage space start-ups and MSEs developing innovative space-based solutions across upstream, midstream, and downstream segments.
- Offers up to INR 1 Cr. in milestone-based funding, along with mentorship, training, and networking.



## TIDE 2.0 (Technology Incubation and Development of Entrepreneurs)

- An initiative by the Ministry of Electronics and Information Technology (MeitY).
- It aims at fostering technology-driven entrepreneurship in India. The program provides financial and technical support to ICT startups working in emerging technologies.



## The Atal New India Challenge (ANIC) 2.0

- Is a flagship initiative by the Atal Innovation Mission (AIM) under NITI Aayog.
- Aimed at promoting technology-driven innovations that address critical national and societal challenges, its dual focus is on production and commercialization.



## Gen-Next Support for Innovative Startups

- Launched by the Ministry of Electronics and Information Technology (MeitY) in 2023 with INR 490 crore budget for a five-year period.
- Designed to support startups in Tier-II and Tier-III cities, fostering collaboration among startups, government, and corporates.



## GREAT Guidelines under NTTM

- The Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT) launched in August 2023 under the Research, Development, and Innovation component of the National Technical Textiles Mission (NTTM).



## The Digital Communication Innovation Square (DCIS)

- DCIS is an initiative launched in 2021 by the Department of Telecommunications (DoT) under the Champion Services Sector Scheme (CSSS).
- It provides financial assistance to startups and MSMEs for developing and commercializing digital communication technologies.



## National Initiative for Developing and Harnessing Innovations

- The Department of Science and Technology (DST) launched the NI-DHI in 2016.
- It aims to nurture knowledge-based and technology-driven ideas into successful startups.



## Biotechnology Industry Research Assistance Council

- The Department of Biotechnology, through Biotechnology Industry Research Assistance Council (BRAC), supports and nurtures startups via flagship programs such as BioBEST, SEED Fund and others.
- BRAC has established 76 incubation centers across 21 States/UTs.



## Rashtriya Krishi Vikas Yojana

- Under RKVY-RAFTAR, the Department of Agriculture launched the Innovation and Agri-Entrepreneur Development Program to fund startups.
- To strengthen incubation in areas like agro-processing, food tech, value addition, AI, IoT, blockchain, and digital agriculture.



## Next Generation Incubation Scheme

- This scheme aims to support innovative start-ups focused on software product development, including embedded electronics, through a pan-India approach. It emphasizes nurturing start-ups from 12 Tier-4 cities.



## AAI Startup Initiative - Innovate for Airports

- AAI has launched the Innovate for Airports program, giving startups the chance to co-create airport-specific solutions and pilot them nationwide.
- Selected startups receive funding and mentorship. Focus areas include Logistics, Airport Operations, IT & Data Analytics, Renewable Energy, Security, Robotics, Air Navigation Systems, and Passenger Experience.



## AAI Startup Policy 2024

- AAI Startup Policy 2024 accelerates AI-driven innovation by offering funding, mentorship, and infrastructure for startups.
- It expands the previous policy to enhance collaboration across AAI departments and engage with startups, aiming to build a world-class aviation startup ecosystem and foster innovation and entrepreneurship.



## 2.3 Growth Beyond Metro Hubs - Tier-II and Tier-III Startups

According to the Vibrant Startup Ecosystem Survey, 46% of India's startups now originate from Tier II and III cities. Over 12,000 operate in advanced domains like AI, IoT, robotics, and nanotechnology. Since 2016, Indian startups have filed 12,000+ patent applications, and 136 Alternative Investment Funds have invested INR 28,000 crore by 2024. Initiatives like the Vibrant Startup Knowledge Access Registry

are encouraging collaboration, marking a shift from metro-centric innovation to distributed entrepreneurship across 770+ districts.<sup>14</sup>

While Bengaluru, Hyderabad, Mumbai, and Delhi-NCR remain key hubs, Tier II and III cities are emerging as innovation centers, driven by better connectivity, digital infrastructure, and an entrepreneurial mindset. Supported

<sup>14</sup> <https://www.startup.gov.in/content/uploads/2024/07/vibrant-startup-knowledge-access-registry-2024.pdf>

by Startup India, this shift is reshaping the innovation landscape. To promote balanced growth, the Government has launched **GENESIS**<sup>14</sup> (tech ventures beyond metros), **PMESP**<sup>15</sup> (rural and semi-urban entrepreneurship), and **NIHP**<sup>16</sup> (incubator support for innovation-

led enterprises). Together, these initiatives expand startup opportunities across diverse geographies. Several states have launched ambitious initiatives to accelerate this trend.

Figure 7: Initiatives by States for Tier II/III Startups

### Initiatives by few States for Tier II/III Startups



Decentralization is reinforced by targeted innovation infrastructure and policies for Tier II and III cities. NITI Aayog's May 2025<sup>17</sup> report on medium enterprises underscores their role in driving jobs and economic activity. The Digital India mission strengthens startup ecosystems

through BharatNet broadband, UPI-enabled digital payments, and GeM for small-town sellers. Educational institutions also play a key role, with 10,000+ Atal Tinkering Labs<sup>18</sup>, Atal Incubation Centres, and partnerships with IITs, NITs, and state universities anchoring innovation in emerging hubs.

<sup>14</sup> <https://www.mca.gov.in/press-releases>

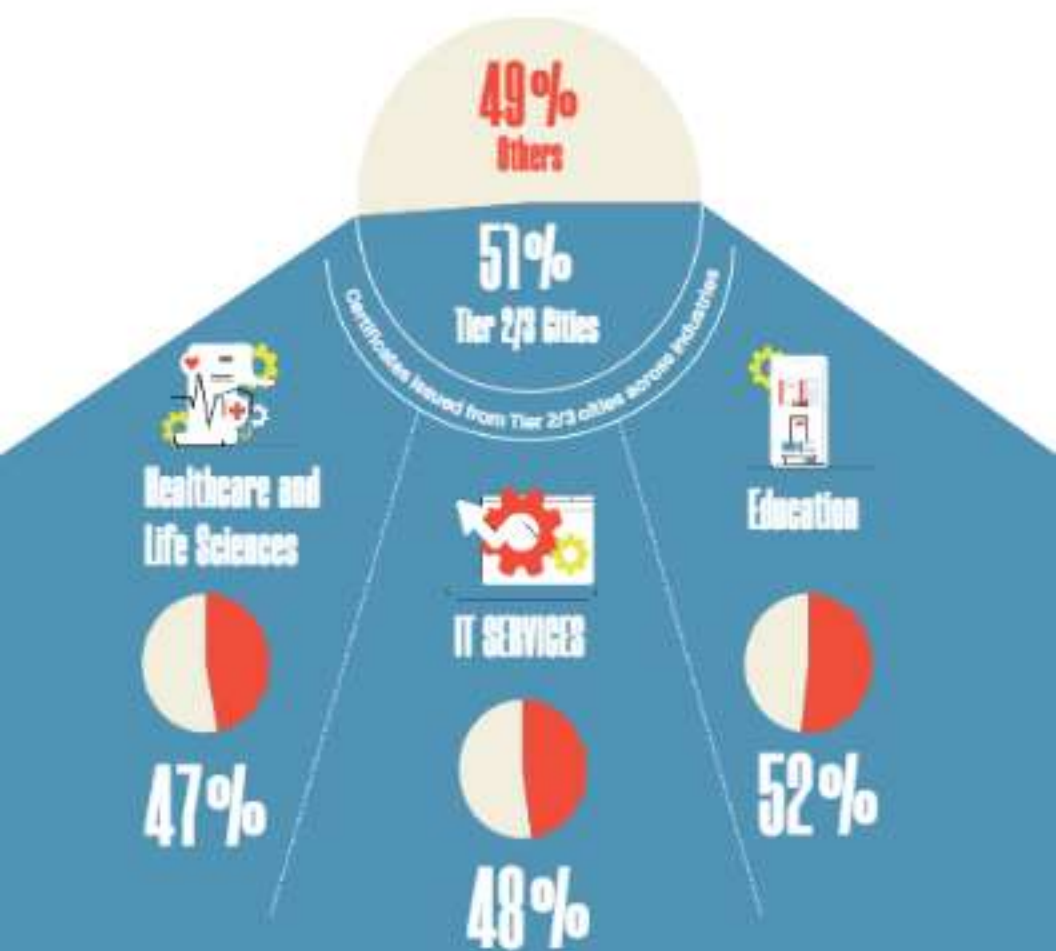
<sup>15</sup> <https://www.bhaskar.com/article/PM-ESP-2025-2030>

<sup>16</sup> <https://www.mca.gov.in/press-releases/nihp-2025-2030>

<sup>17</sup> [https://www.niti.gov.in/sites/default/files/2025-05/Designing a Policy for Medium Enterprises.pdf](https://www.niti.gov.in/sites/default/files/2025-05/Designing%20a%20Policy%20for%20Medium%20Enterprises.pdf)

<sup>18</sup> [https://www.niti.gov.in/sites/default/files/2025-05/The Role of Digital Infrastructure in Economic Growth 042025.pdf](https://www.niti.gov.in/sites/default/files/2025-05/The%20Role%20of%20Digital%20Infrastructure%20in%20Economic%20Growth%20042025.pdf)

Figure B: DPIIT Startup Recognition Certificates issued from Tier 2/3 Cities across industries



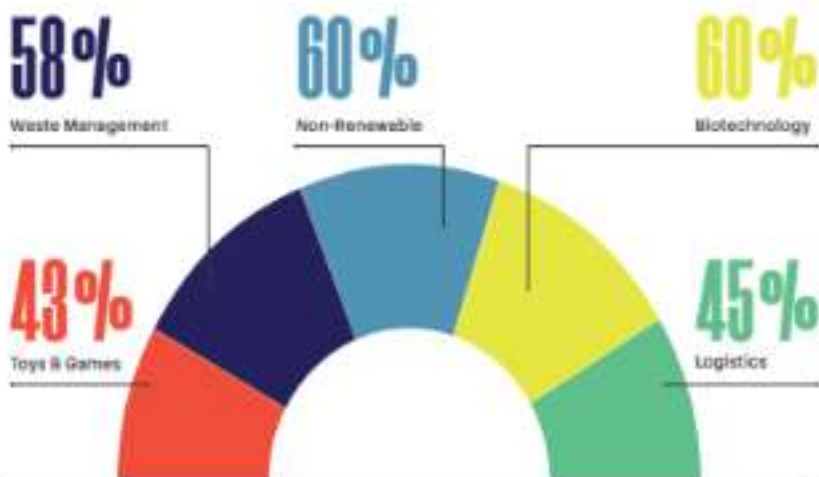
Decentralized innovation is evident in sectoral trends across Tier II and III cities. In healthcare and life sciences, 47% of startups focus on telemedicine, affordable medical devices, and digitizing traditional medicine driven by lower costs, local

insights, and alignment with government initiatives. Education has seen similar growth, with 52% of startups (over 8,200 ventures) based in smaller cities, fueled by the National Education Policy, digital literacy programs, and remanular solutions.

\* <https://www.dpiit.gov.in/document/development-of-startup-ecosystem-in-india-2022.pdf>

\*\* <https://www.dpiit.gov.in/document/development-of-startup-ecosystem-in-india-2022.pdf>

Figure 8. DP&T Startup Recognition Certificates Issued from Tier 2/3 Cities – Changemaker Industries



Waste management and biotechnology are emerging as key growth drivers in Tier-2 and Tier-3 hubs. Waste management startups (68%) from these cities grew 66-fold between 2020 and 2024, driven by initiatives like Swachh Bharat and Smart Cities Mission. Biotechnology startups, with

60% representation and 17-fold growth, are delivering region-specific agri-biotech solutions supported by state universities and research centers. These trends reflect the growing innovation capacity of smaller cities to address local challenges and create new economic opportunities.



## 2.4 Women Entrepreneurs & Inclusive Startups

India's startup decentralization is paired with a strong push for inclusivity, especially empowering women entrepreneurs. To address barriers like limited access to finance, mentorship, and markets, the government has launched targeted initiatives promoting equitable participation. These efforts aim to unlock entrepreneurial potential in Tier III cities and rural regions, driving broader socio-economic development.

Recent government data reflects a significant rise in women-led startups. As of December 2024, 75,908<sup>1</sup> recognized startups had at least one-woman director up from 55,806 in 2023 representing 48% of all startups<sup>2</sup>. This marks a dramatic shift from minimal representation in 2016. These ventures have collectively generated over 12.42 lakh direct jobs<sup>3</sup>, with substantial female workforce participation.

Figure 10: Flagship schemes

To support this momentum, several flagship schemes have been implemented which includes:



### Stand-Up India Scheme

As of January 27, 2025, the Scheme has benefited 1,94,804 women entrepreneurs, 40,001 entrepreneurs belonging to the SC category, and 10,952 entrepreneurs from the ST category.

Women entrepreneurs are active across all

**56** Government recognized sectors



including Information Technology, Healthcare & Life Sciences, Education & Skill Development, Professional Services and Social Impact.

Geographically, over 60%<sup>4</sup> of women-led startups are based in Tier-2/3 cities, with growing rural integration through Self-Help Groups (SHGs). State-wise distribution shows widespread participation, though with varying levels of concentration.



### Pradhan Mantri MUDRA Yojana

As of March 2025, 6.46 crore PMMY loans were sanctioned in FY 2024-25, with 59.8% (3.27 crore) to women entrepreneurs. Of ₹6,62,802 crore sanctioned, women received ₹2,09,234 crore (~31%), with nearly the same amount disbursed.

<sup>1</sup> <https://statics.pib.gov.in/WriteReadData/getpdf.aspx/20250127000101010101.pdf>

<sup>2</sup> <https://statics.pib.gov.in/WriteReadData/getpdf.aspx/202501270001010101010101.pdf>

<sup>3</sup> <https://statics.pib.gov.in/WriteReadData/getpdf.aspx/202501270001010101010101.pdf>

<sup>4</sup> <https://statics.pib.gov.in/WriteReadData/getpdf.aspx/202501270001010101010101.pdf>



## Women Entrepreneurship Platform

The WEP portal connects a vibrant network of 91,860+ women entrepreneurs, supported by 811+ mentors, 836+ government initiatives, and 48+ partners.



## Atal Innovation Mission (AIM)

30% of AIM-supported startups are women-led. 2.6 million students participate in Atal Tinkering Labs with gender-balanced representation; women mentors are actively engaged.



## STPI Women Entrepreneurship

44% of STPI-supported startups are women-led, with a strong focus on IT services and digital exports.

## Roistering inclusivity and diversity in startup ecosystem

Inclusivity startup vision goes beyond gender equity to embrace communities that have historically had limited representation, including rural and tribal populations. The government is encouraging entrepreneurship through targeted schemes, financial instruments, and grassroots innovation, ensuring equitable access across regions and diverse social groups.

- The **AssisTech Foundation** further accelerates disability-inclusive innovation by supporting ventures that integrate social entrepreneurship with sustainable development. Impact metrics include both social and environmental outcomes, ensuring holistic evaluation of success<sup>16</sup>.
- The establishment of **Atal Community Innovation Centres (ACICs)** in tribal regions, aspirational districts, and underserved communities fosters local problem-solving through community-driven innovation. Operating on a public-private partnership model, ACICs promote inclusive participation and regional entrepreneurship<sup>17</sup>.
- Initiatives like the **Askanisha Brand** consolidate traditional products from 600+ aspirational blocks under a unified identity, aligning with the "Vocal for Local" movement. By providing modern market access to regional craftsmanship, these efforts enhance livelihoods and strengthen local economies.

<sup>16</sup> <https://www.assistechnology.com/assistechnology-2024-national-innovation-challenge-2024-26-awarded-with-aid-1104>

<sup>17</sup> <https://www.aim.gov.in/innovations/atal-community-innovation-centres/1162-1422289>

<sup>18</sup> [https://www.stpi.gov.in/innovations/STPI-Women-Entrepreneurship-Report-2024-26-English\\_FINAL\\_COW\\_HB\\_2024](https://www.stpi.gov.in/innovations/STPI-Women-Entrepreneurship-Report-2024-26-English_FINAL_COW_HB_2024)



## Region

## Key Focus Areas

## Opportunities for India



## Germany

- Germany is Europe's largest robotics market with ~27,000 factory robot installations in 2024, driving Industry 4.0 adoption<sup>14</sup>.

The demand for automation creates opportunities for Indian startups specializing in Industry 4.0 software, IoT sensors, and system integration, as German manufacturers seek cost-effective, high-quality digital solutions to improve efficiency and meet EU sustainability targets.



## Israel

- Israel remains a global hub for deep tech and defense exports, reporting USD 14.7 B in defence exports in 2024<sup>15</sup>.

The country's strengths in cybersecurity, edge AI, autonomous systems, and dual-use technologies align well with India's interests. Building on the India-Israeli Vision on Defence Cooperation signed in June 2022, to deepen collaboration in R&D and on-production of future technologies.

The global startup landscape offers India a chance to become a co-innovation hub. By aligning with trends in deep tech, sustainability, and digital transformation, and partnering with ecosystems in the US, China, Singapore,

Germany, and Israel, Indian startups can access new markets, attract capital, and integrate into global value chains. With strong policy support and investor confidence, India is poised to evolve from a startup hub to a global innovation leader.

## 2.4.2 Emerging Sectors & Niche Areas

India's startup ecosystem is entering a new growth phase, with young enterprises driving innovation in emerging sectors. Over the next decade, startups will develop solutions in deep tech, green energy, biotechnology, digital health, and advanced manufacturing

rising areas like electric mobility, space tech, AI, and circular economy practices are gaining momentum. These sectors create opportunities for entrepreneurship and investment while advancing India's goals of sustainable growth, job creation, and global competitiveness.

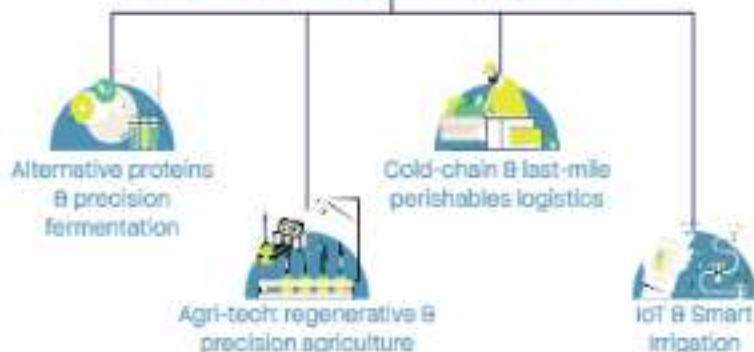
<sup>14</sup> <https://www.ifh-press-relaese.com/en/global-market-demand-in-factories-oubles-over-10-years>

<sup>15</sup> <https://www.bing.com/news/search?cid=20250101-israel-defense-exports-hit-record-14-7-billion-usd-a-record-for-the-country>

Figure 11: Emerging and Niche Sectors



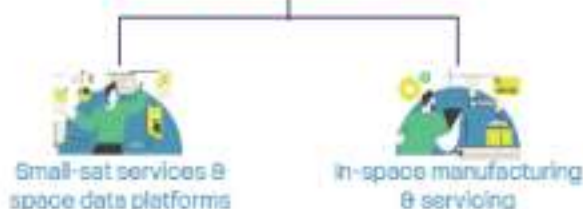
## Food, Agriculture & Supply Chains



## Mobility, Transport & Logistics



## Space & Frontier Tech



## Finance & Governance



Programmable  
finance  
& Digital Currency



On-chain compliance  
& AML for digital  
assets



Decentralized  
identity & verifiable  
credentials

## Urban, Built Environment & Industry 4.0



Smart buildings  
& distributed  
electrification



Circular economy  
platforms & materials  
traceability



Industrial digital  
twins & predictive  
maintenance

## Work, Learning & Creativity



Human-AI  
collaboration tools



Lifelong learning /  
micro-credential  
platforms

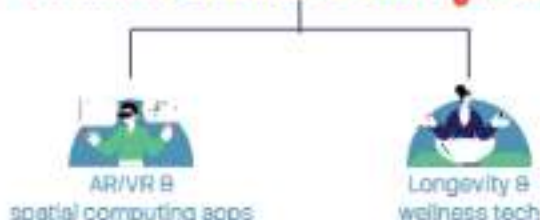


Creator economy  
infra & tools

## Security, Privacy & Trust



## Consumer Frontier & Lifestyle Tech



Global energy-transition investment hit a record USD 2 trillion in 2024<sup>1</sup>, highlighting demand for renewables, storage and clean industry. India has built ~127 GW solar and ~63 GW wind capacity (Sep 2025)<sup>2</sup>, creating a strong home market for green innovation. AI benefits from India's IT expertise, talent pool, and digital infrastructure, enabling applied AI in multilingual, enterprise, and governance contexts. With AI projected to add USD 16.7 trillion<sup>3</sup> to global GDP by 2030 and GenAI budgets rising from ~4% (2024) to ~6% (2026), India's tech services stand to gain significantly.

India's EV ecosystem is at an inflection point with cost parity in two and three-wheelers, policy incentives, and a growing supply chain

for components, charging, and recycling. Global electric car sales exceeded 17 million in 2024 (>20% share)<sup>4</sup>, while India sold ~2.04 million EVs in FY 2024-25<sup>5</sup> (16.6% YoY growth), creating opportunities in batteries, power electronics, swapping, and recycling. Defence is another growth area as the exports reached \$W 23,622 crore in FY 2024-25<sup>6</sup>, and the IDEX program opened 549 problem-statements, engaging 619 startups/MSMEs and signing 430 contracts, building a pipeline for dual-use and deep-tech solutions.

With targeted support, startups can scale from products to interoperable solutions, integrate into global value chains, and convert local traction into repeatable international revenues.

<sup>1</sup> <https://www.pwcc.com/en/growth/energy/clean-tech> Investment in the energy transition exceeded 2 trillion for the first time in 2024, according to Bloomberg's report.

<sup>2</sup> <https://www.gov.in/infographic/progress>

<sup>3</sup> <https://www.pwc.com/en/growth/energy/clean-tech/analysis-and-analysis-using-the-ai-report.pdf>

<sup>4</sup> <https://www.bloomberg.com/global/en/outlook/2025/01/01/summary>

<sup>5</sup> <https://www.pwc.com/en/growth/energy/clean-tech/analysis-and-analysis-using-the-ai-report-104-25.pdf>

<sup>6</sup> <https://www.pwc.com/en/growth/energy/clean-tech/analysis-and-analysis-using-the-ai-report-104-25.pdf>



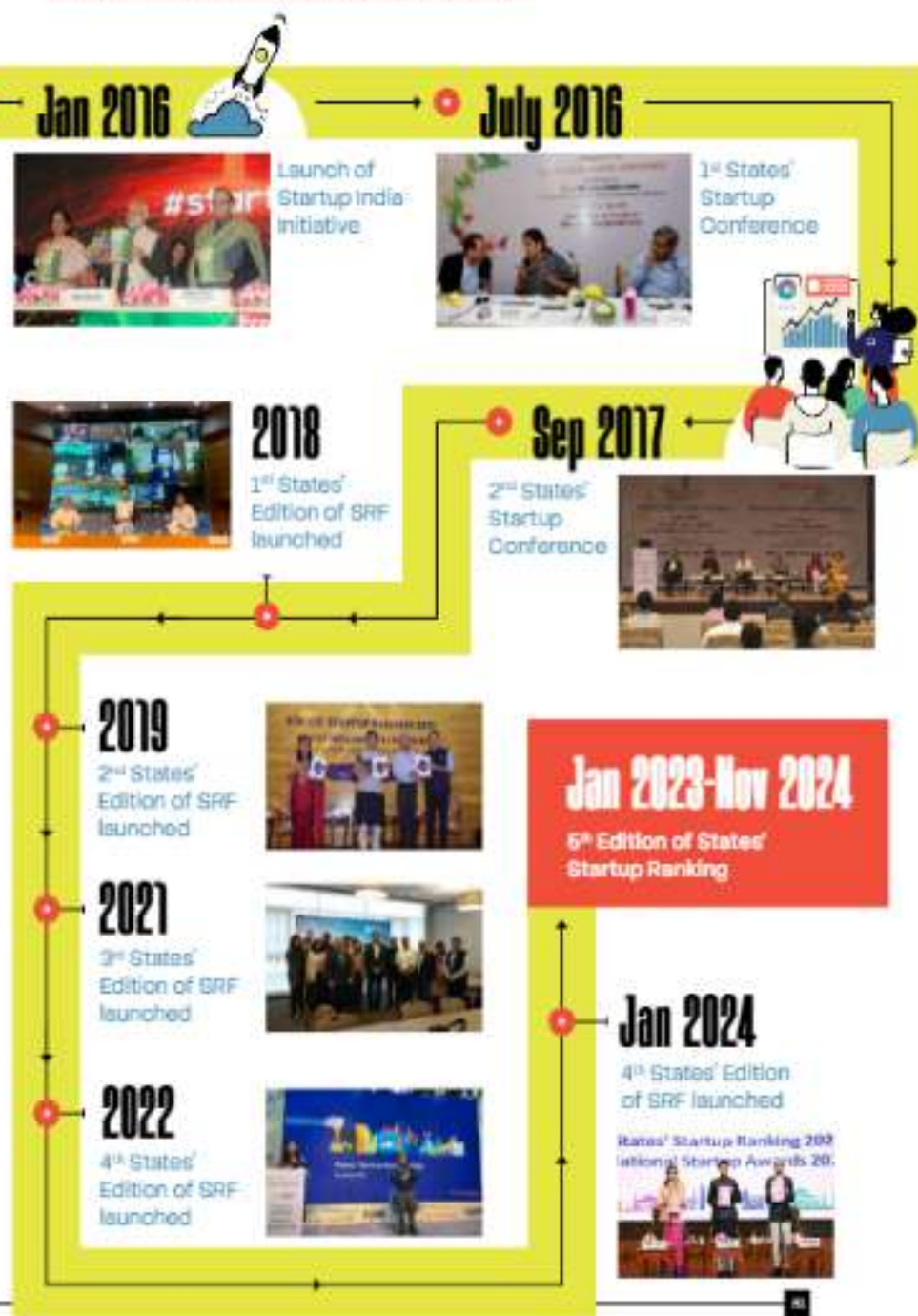
## Understanding the States' Startup Ranking Framework: Driving Competitive & Cooperative Federalism in India

### 3.1 Background and Purpose of the States' Ranking Framework

The States' Startup Ranking Framework (SRRF) is a periodic capacity-building initiative of Startup India DPIIT. It assesses how effectively every State and UT nurture a startup-friendly

ecosystem. Launched in February 2018, SRRF examines India's startup landscape through the lens of state policy and highlights practices that accelerate ecosystem growth and development.

Figure 12: Timeline of States' Startup Ecosystem Ranking



Anchored in the principles of cooperative and competitive federalism which echoes the national commitment to *Sabka Saath, Sabka Vikas*, SRF has encouraged States and UTs to adopt dedicated startup policies and track their evolution through annual rankings. It complements the efforts of both the Central and the States/UTs government to strengthen entrepreneurial mindsets across the country. This is further supported by capacity-building programs conducted by the Startup India team for ecosystem enablers and innovators. A core feature of the framework is an outcome-oriented feedback mechanism, through

which beneficiary startups and incubators across States/UTs share their experiences of government support and handholding. This continuous feedback loop is instrumental to refine policies, improve implementation, and drive sustained ecosystem development. Through the SRF, states and UTs can identify key areas for improvement and expansion, thereby encouraging the growth and development of their regional startup ecosystems. Further, it serves as a platform to highlight best practices adopted across various regions, inspiring others to explore innovative ventures, enhance collaboration and implement impactful changes.

Figure 13: Key tenets of the startup ecosystem



## 3.2 Evolution of the Ranking Framework

Over the past five editions, the States' Ranking exercise has served as a practical roadmap for States and UTs to codify best practices, set clear assessment criteria, and a way forward to implement action points. It began in 2018 with 7 reform areas covering 30 action points and an

evaluation window of 28 months. The framework was refined in 2019 with a window of 17 months, expanded again in 2021 with 22 months, and in 2022 was consolidated to 26 action points over 17 months.

Figure 14: The journey of SRF over the years



For the 5<sup>th</sup> edition, the framework further streamlined to 6 reform areas covering 19 action points, engages 34 States and UTs, over an evaluation period of 23 months, reflecting a sharper focus on impact while maintaining broad national participation.

## 3.3 Continuous Improvements and Methodical Enhancements

All participating states and UTs have been categorized into five groups based on their performance. The framework scores each state and UT, following which they are converted to percentiles. This helps in demonstrating the relative performance of each state and UT, in comparison with the others.

**BEST PERFORMER:** States and UTs that set the national benchmark with exemplary mature startup ecosystems and model practices. Gujarat has demonstrated consistent performance from 2018-2022. In 2022, Tamil Nadu (category A) and Himachal Pradesh (category B) have been marked under the group of distinguished high achievers.

**TOP PERFORMER:** States and UTs showing strong momentum and measurable gains backed by robust initiatives that actively nurture entrepreneurs. Kerala has been a top performer between 2018-2020. However, in 2022, it moved up to the best performers category whereas states like Odisha, Punjab, Arunachal Pradesh and Meghalaya joined the category.

**LEADER:** States and UTs consistently building and strengthening an effective startup ecosystem through sustained policy and program delivery.

**ASPIRING LEADER:** States and UTs actively designing and rolling out new measures to support startups, moving toward a more comprehensive ecosystem.

**EMERGING STARTUP ECOSYSTEM:** States and UTs in the early stages of ecosystem development, laying core foundations and progressing toward scale.

The SHE exercise has gradually matured over the years, as more and more states have participated, and improved their startup ecosystem.

Figure 15. Classification of Participating States

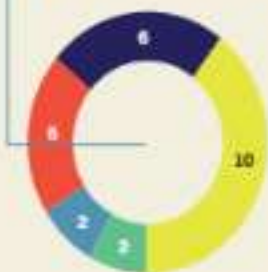
### 1<sup>st</sup> Edition 2018

30 No. of participating States/ UTs



### 2<sup>nd</sup> Edition 2019

25 No. of participating States/ UTs



3<sup>rd</sup> Edition 2021

**31** No. of participating States/ UTs

4<sup>th</sup> Edition 2022

**33** No. of participating States/ UTs



Emerging States

Leaders

Top Performer

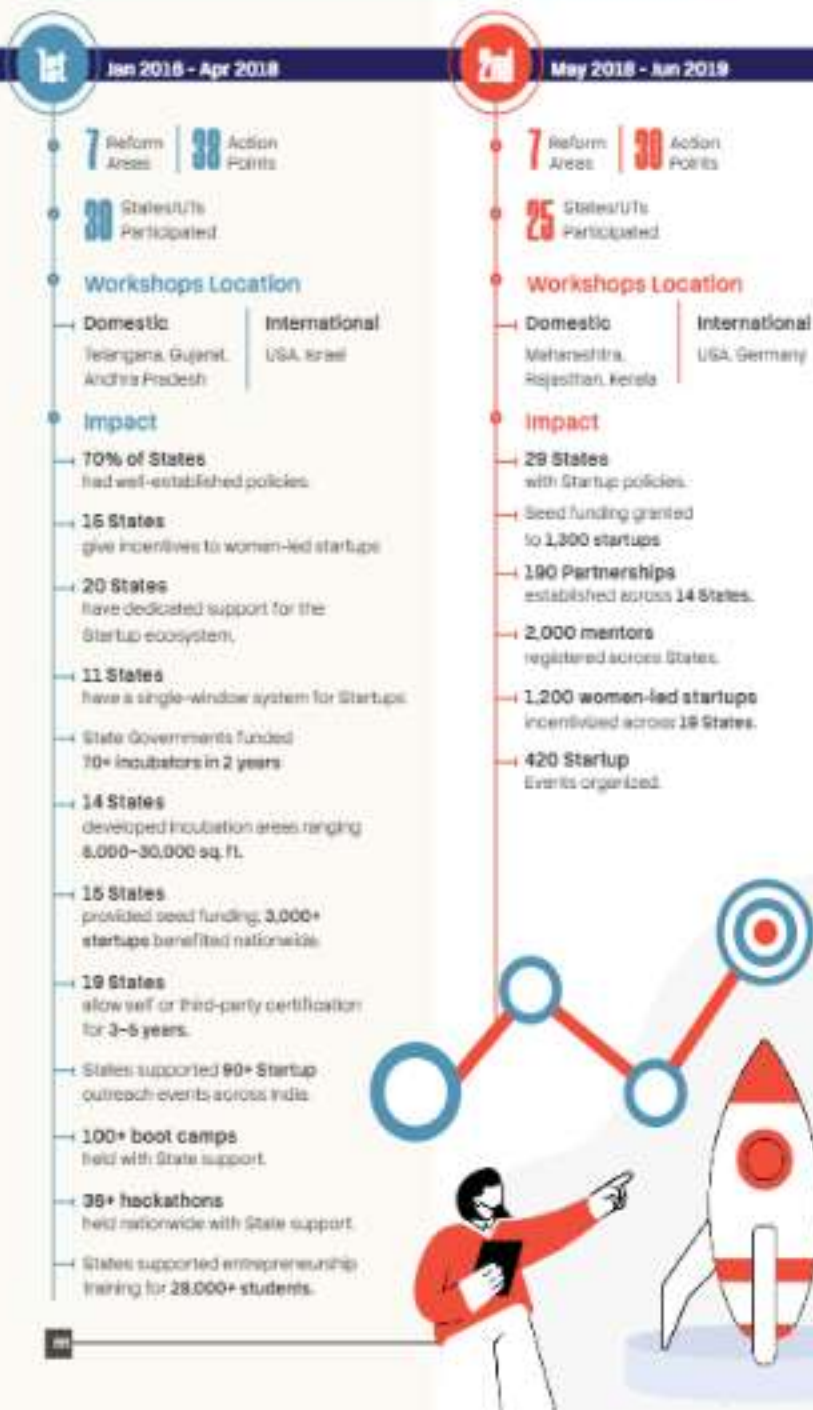
Beginner

Aspiring Leader

Best Performer



Figure 16. Impact created by States' Startup Ecosystem Ranking over the years





Oct 2019 - Jul 2021

**7** Reform Areas | **26** Action Points

**81** States/UTs Participated

### Workshops Location

#### Knowledge Exchange Week

Online 1 week workshop

### Impact

- **1,600+ women-led startups** supported across 16 States/UTs.
- **40K+ startups** registered across 20 States/UTs.
- **50+ initiatives** have dedicated support for the Startup ecosystem.
- **590+ grassroots** innovations with rural impact supported.
- **1,700+ startups** availed public procurement relaxations in 8 States/UTs.
- **50+ Sensitization workshops** for Government officials in 17 States/UTs.
- **2K+ Potential investors** attending 15+ programs across 8 States and UTs.
- **16 States/UTs** awarded **260+ startups** work orders over **₹60K**.
- **40 funds (seed, venture, FoF)** launched across 11 States/UTs.
- **2,600+ startups** received incubation support in 19 States/UTs.
- **400+ startups** received funding through State supported funds.



Aug 2021 - Dec 2022

**7** Reform Areas | **25** Action Points

**88** States/UTs Participated

### Workshops Location

#### Domestic

Telangana, Jharkhand, Meghalaya

#### International

Netherlands, Republic of Korea

### Impact

- **44 active policies** support circular economy startups across 19 States/UTs.
- **28 States/UTs** supported **2,633 women-led startups** across 213 districts.
- **19 funds (seed, venture, FoF)** established across 16 States/UTs.
- **21 States/UTs** hosted 102 programs linking **1,801 startups** to **821 investors**.



# 4

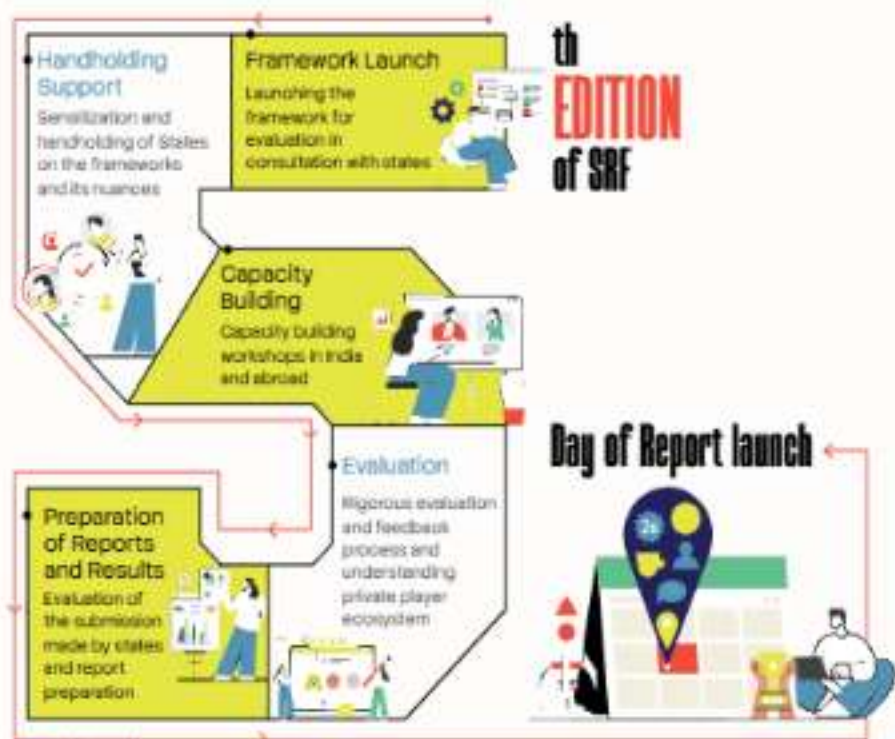
## The 5<sup>th</sup> Edition of States' Startup Ecosystem Ranking: Strengthening State-led Startup Ecosystems

### 4.1 Overview of the 5<sup>th</sup> Edition of States' Startup Ecosystem Ranking

The 5<sup>th</sup> edition of States' Startup Ecosystem Ranking builds upon the previous editions of the same, witnessing participation from 34 States and UTs of India. The consideration period for this exercise was between 1<sup>st</sup> January 2022 to 30<sup>th</sup> November 2024.

Startup India has undertaken multiple activities for the effective implementation of the ranking exercise, including drafting of the framework, capacity building workshops for States and UTs, development of the submission portal among other activities as explained below:

Figure 17: Key activities for 6<sup>th</sup> edition of SRF



## States' Startup Ecosystem Ranking Process Flow

**1**

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

**2**

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

3

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, and private ecosystem analysis was undertaken through various secondary sources.

4

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 culminated 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.

5

**Startup India Team has conducted several workshops across India and abroad to ensure that stakeholders are aware of the ranking framework and methodology.**



Figure 18: Glimpses from the workshops conducted

## State Ranking Framework (SRF) Knowledge Exchange Workshop (Kochi, Kerala)

Startup India, DPIIT, in collaboration with Kerala Startup Mission (KSUM), Government of Kerala, conducted 'States' Startup Ecosystem Ranking Capacity Building and Knowledge Exchange Workshop' on the 4<sup>th</sup> and 5<sup>th</sup> of April 2024 in Kochi, Kerala. The workshop witnessed participation of over 60 stakeholders, including senior officers of the nodal departments from 18 States and UTs across the country. The two-day workshop provided a platform for the States and UTs to interact with one another and key private ecosystem stakeholders, exchange best practices and engage with ecosystem enablers.

Figure 19: Glimpses of the workshops conducted

## States' Startup Ranking - 2 Day Knowledge Exchange Workshop (Nagaland Edition)

Startup India, DPIIT organised a knowledge exchange workshop from 10<sup>th</sup> to 11<sup>th</sup> March 2024 in Kohima, which saw participation of more than 17 States and UTs. The workshop offered an

opportunity for the participants to interact with each other, exchange best practices, interact with leading startups, investors and incubators.



Figure 20: Glimpses of the workshops conducted

## State Ranking Framework (SRF) Knowledge Exchange Workshop (Gujarat)

Startup India DPIIT, in collaboration with Startup Gujarat, conducted 'States' Startup Ecosystem Ranking Capacity Building and Knowledge Exchange Workshop' on the 12<sup>th</sup> and 13<sup>th</sup> of September 2024 in Ahmedabad, Gujarat. The workshop was attended by over 100 participants, including over 36 officials from 16 States and UTs, representing a diverse group of stakeholders from private and public sectors, including key global players. Shri Soraj, Joint Secretary, DPIIT, and Shri Sumeet Kumar Jarangal, Director, DPIIT, along with other DPIIT officials also graced the occasion.



## 4.2 The Framework & its Pillars

### 4.2.1 Key Pillars of Evaluation

The framework for the 6<sup>th</sup> edition of States' Startup Ecosystem Ranking has three major pillars as depicted in the diagram below.

Figure 21: Major pillars of the framework



Each of these pillars and their construct has been described in the following sections of the report.



## 4.2.2 Documentary Evidence Evaluation

The documentary evaluation process centres around 6 reform areas, which have been further divided into 19 different action points. Each action point is then scored, either through an absolute score, or through relative scores. These scores are assigned based on the guidelines as laid out in 3<sup>rd</sup> States' Startup Ecosystem Ranking.

The guidelines provide the list of documents which are mandatory and recommended for the sake of evaluation.

The reform areas and the scores and number of action points have been shown in the table below.

Figure 22: Reform Areas



### Reform Area 1

Institutional Support



### Reform Area 2

Infrastructure Support



### Reform Area 3

Funding Opportunities



### Reform Area 4

Market Access & Reach



### Reform Area 5

Ecosystem Capacity Building



### Reform Area 6

Focus on Innovation and Sustainability

Reform Area	Score	Action Points (APs)	APs with Absolute Scoring	APs with Relative Scoring
Institutional Support	26	6	6	1
Infrastructure Support	12	2	2	0
Funding Opportunities	12	3	3	0
Market Access & Reach	11	2	2	2
Ecosystem Capacity Building	9	3	2	1
Focus on Innovation and Sustainability	6	2	2	0
<b>Total</b>	<b>76</b>	<b>18</b>	<b>17</b>	<b>4</b>

## Reform Area 1: Institutional Support



Institutional Support evaluates how effectively state governments create a strong foundation for startup ecosystems by assessing startup policies, nodal departments, dedicated teams, cross-departmental involvement and targeted initiatives for priority sectors, women entrepreneurs, and student founders. It highlights the importance of a robust

institutional framework for encouraging innovation by examining how deeply startup support is embedded in state governance through the number of supported startups, implemented schemes, and participating departments, ensuring inclusive and structured support across sectors and demographics.

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

## Reform Area 2: Infrastructure Support



Infrastructure Support assesses the availability and quality of digital and physical infrastructure for startups, including state startup portals, accessibility features and incubation facilities. By tracking metrics like the number of

incubators, upgraded facilities, and supported startups, this area highlights the readiness of states to support startups through every stage of their journey, from ideation to scaling.

It covers 2 action points:



**Action Point 7:**  
Access to Digital Infrastructure



**Action Point 8:**  
Access to Physical Infrastructure

## Reform Area 3: Funding Opportunities



Funding Opportunities evaluates state-led financial support for startups through seed funds, venture funds and investor connect initiatives, assessing funding reach, institutional

partnerships, and effectiveness to gauge how well states enable access to capital and strengthen the financial depth of their startup ecosystems.

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

## Reform Area 4: Market Access & Reach



Market Access & Reach assesses how effectively states enable startups to access domestic and international markets through procurement relaxations, government work orders and exposure programs, evaluating

tenders, awarded projects and partnership initiatives to understand how states reduce entry barriers, enhance visibility and support startup scaling.

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

## Reform Area 5: Ecosystem Capacity Building



Ecosystem Capacity Building assesses state efforts to strengthen startup ecosystems through training and sensitization of government officials, incubators, and enablers such as

mentors and investors, evaluating program reach, participation, and impact to ensure a skilled, collaborative and resilient support system for startups.

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

## Reform Area 6: Focus on Innovation and Sustainability



Focus on Innovation and Sustainability evaluates how states promote future-ready entrepreneurship through IPR facilitation, R&D support and incentives for climate and circular

economy startups, assessing policies, support mechanisms, and beneficiary startups to gauge long-term economic and environmental impact.

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

## Submission Process

i) A dedicated online portal ([https://www.startupindia.gov.in/urffportal/login\\_2024](https://www.startupindia.gov.in/urffportal/login_2024).html), ensuring a standardized, transparent,

and fully digital evaluation process was developed. The portal serves as a single-window system for uploading supporting

documents against each reform area and action point, including policy notifications, implementation evidence, dashboards, and outcome metrics.

- b) The States/UTs were asked to submit the documentary evidence in line with the supporting documents and mandatory guidelines under 6<sup>th</sup> edition of States' Startup

Ecosystem Ranking framework released on June 1, 2024<sup>14</sup>.

- c) The evidence was then analyzed and accepted or rejected.

The screenshot of the submission portal has been depicted below.



Figure 23: Startup India portal

## Analysis of Documentary Evidence

The Startup India Team examined and evaluated all submitted documentary evidence by the states/UTs based on the 6<sup>th</sup> edition framework. Based on the assessment of documents submitted by States/UT, findings were presented to the Evaluation Committee under First Round of Evaluation Committee (EC) meetings. Post First round of evaluation, opportunity was given to participating States / UTs to clarify gaps and missing information, and further, resend

documents under Round-2, based on the initial feedback and thoughts of EC.

Based on the clarifications sought from States/UTs, the submission portal was re-opened for participating States/UTs to re-submit documents, wherever applicable. The re-submitted documents are re-assessed and findings presented in the Second Round of Evaluation Committee (EC) meetings.

<sup>14</sup> <https://www.startupindia.gov.in/files/2024/06/20240620%20Startup%20Ecosystem%20Ranking%20Framework.pdf>

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

## Evaluation Committee (EC) member Organisations

Figure 24. Members of the Evaluation Committee

## Scoring for Ranking

In consonance with the 5<sup>th</sup> edition framework, every action point was linked to a specific scoring method, either absolute or relative.

based on the characteristics of the reform areas. The scores were assigned after verifying the supporting documentary evidence.

Figure 26: Framework of scoring for ranking



Under the 5<sup>th</sup> edition,

# 3800+ documents



were submitted by 34 States/UTs across 6 reform areas and 19 action points, wherein



## 4.2.3 Feedback from Startups

The second pillar of the framework is Feedback Analysis, which involves soliciting feedback from the startups who have been operating within these states/UTs. The feedback is spread across different aspects such as awareness about schemes and policies related to startups, institutional support, infrastructure support and market access initiatives among others. This feedback then assists in ranking the states in

terms of the on-ground conditions of the startup ecosystem.

For the 6<sup>th</sup> edition feedback survey, Simple Random-Sampling has been identified as the most appropriate method for selecting the survey sample. This approach ensures an unbiased representation of the startup population within each State/UT.

The required sample size for each State / UT was determined using the following formula:

$$n = \frac{Z^2 \cdot p \cdot (1 - p)}{e^2}$$

Where:

- $n$  = Sample size
- $Z$  = Z-value corresponding to the desired confidence level (e.g. 1.96 for 95% confidence)
- $p$  = Estimated proportion of the population with the attribute of interest (i.e. registered startups within the state/UT)
- $q = 1 - p$
- $e$  = Acceptable margin of error (e.g. 0.03 or 3%)

## Modes of feedback collection

The feedback from startups has been collected through two survey modes: Online survey and telephonic survey. While the online survey was administered via e-mail, enabling the Startups to complete the survey at their convenience

through a secure digital link, the telephonic survey involved direct outreach by trained representatives who connected with startup founders or key representatives over a phone call.

Figure 26: Modes of feedback collection





To ensure accurate and high-quality feedback collection under SRF 5.0, a structured protocol was followed for both telephonic and online surveys:

- For the telephonic survey, startup details including name, founder/CEO/owner, and mobile number were verified before proceeding. Calls with mismatched or invalid details were marked as inaccurate. Further, language support was provided in English (primary), Hindi (secondary), and several regional languages such as Tamil, Telugu, Malayalam, Marathi, Bengali, Urdu, Kannada, Odia, and Gujarati, with English used for final validation. Each contact was attempted at least three times across different time slots, and follow-ups were made for incomplete surveys.

- With regard to the online survey, each startup could submit one response, completed by an authorized representative. These had to be completed in a single sitting, and duplicate entries were automatically disallowed.

The questionnaire was divided into two categories: awareness-based questions and beneficiary-related questions. The awareness-based questions were administered to all DPII-recognized startups registered within the period of consideration across all 34 States and UTs participating in the States' Startup Ranking exercise, while the beneficiary-related questions were directed to startups from the States and UTs that had submitted beneficiary data as part of the exercise.

## Feedback Questions

Reform Area	Direct Questions		Embedded Questions	
	Awareness-based	Score (Marks)	Beneficiary based	Score (Marks)
<b>Reform Area 1: Institutional Support</b> 	Are you aware of any startup policy or scheme launched by your state government / UT for Startup support?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Has your Startup benefited from any such policy/ scheme in the last 3 years?	<b>Maximum marks: 2</b> • Yes (2 marks) • No (0 marks)
<b>Reform Area 2: Infrastructure Support</b> 	Do you know if your State/UT provides a grievance redressal mechanism (portal/ helpline) for Startups?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Have you ever used the grievance redressal mechanism in the last 3 years? If yes, did you find it effective in resolving your issues?	<b>Maximum marks: 2</b> • Yes, found it effective (2 marks) • No, did not find it effective (0 marks) • No, I did not feel the need to use the grievance redressal mechanism (2 marks)

Reform Area	Direct Questions		Embedded Questions	
	Awareness-based	Scores (Marks)	Beneficiary based	Scores (Marks)
<b>Reform Area 3: Funding Opportunities</b> 	Are you aware of Seed Funds, Venture Funds, or Fund of Funds or special funding provisions for Startups supported by your State/UT?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Has your Startup ever received any funding through these State-supported mechanisms in the last 3 years?	<b>Maximum marks: 2</b> • Yes (2 marks) • No (0 marks) • Did not apply for State support (2 marks)
<b>Reform Area 4: Market Access &amp; Reach</b> 	Do you know if your State/UT or PSUs allow Startups to participate in tenders with relaxations?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Has your Startup ever received a work/purchase order under these relaxations in the last 3 years?	<b>Maximum marks: 2</b> • Yes (2 marks) • No (0 marks) • No, did not participate in any such tenders with relaxations (2 marks)
<b>Reform Area 5: Ecosystem Capacity Building</b> 	Are you aware of Incubation support / accelerator / mentorship programs provided to startups in your State/UT?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Have you been offered access to state-supported incubators or co-working spaces in the last 3 years?	<b>Maximum marks: 2</b> • Yes (2 marks) • No (0 marks) • No, did not opt for any such support (2 marks)
<b>Reform Area 6: Innovation &amp; Sustainability</b> 	Are you aware of R&D support or any special provisions by your State/UT to support and fast-track IPR filings for Startups?	<b>Maximum marks: 0.5</b> • Yes - 0.5 • No - 0	Has your Startup benefited from such R&D grants/subsidies or IPR fast-tracking support?	<b>Maximum marks: 2</b> • Yes (2 marks) • No (0 marks) • No, did not apply for any such support (2 marks)
	<b>Total marks</b>	<b>3</b>	<b>Total Marks</b>	<b>12</b>

## Scoring Methodology

Each question has been designed to assess startups' awareness and experience of various support mechanisms extended by their respective State Governments/UTs. Responses were recorded in a Yes/No format, and scoring

has been applied uniformly across all States and UTs. As per the methodology, if 60% or more of the responses to a question have been "Yes," full marks have been awarded, otherwise, the score for that question has been recorded as zero.

## 4.2.4 Private Sector Ecosystem Mapping





A strong private ecosystem is essential for the growth and sustainability of startups in India. Alongside government initiatives, private players, including venture capital firms, angel investors, incubators, accelerators, industry bodies, and corporations provide critical funding, mentorship, market access, and business expertise. These contributions help startups scale, innovate, and compete globally. Corporate partnerships and open innovation platforms further support collaboration, commercialization, and job creation, complementing public efforts with agility, innovation, and long-term investment.

Under the 6<sup>th</sup> edition of this exercise, a comprehensive assessment of the private

ecosystem has been undertaken, comparing how effectively States and UTs attract and sustain private sector participation. The analysis highlights emerging innovation hubs, identifies gaps in private engagement, and showcases best practices for collaboration, encouraging stronger public-private partnerships to build resilient and globally competitive startup ecosystems.

The private ecosystem assessment is organized across four key dimensions of private sector support and engagement. Each dimension is evaluated using defined, measurable indicators, enabling objective scoring and fair comparison of performance across States and UTs.

Figure 27: Private ecosystem mapping framework

Dimensions	Indicators	
 <p>Private Infrastructure</p>	<p>No. of private incubators and accelerators in the state</p> <p>No. of DSR recognized in-house R&amp;D centres in the State</p>	<p>No. of Private R&amp;D Units in the state</p> <p>BIS Recognized Private Labs</p>
 <p>Access to Private Capital</p>	<p>No. of PE/VC deals in the state</p>	<p>Value of PE/VC deals in the state (USD)</p>
 <p>Entrepreneurial Culture &amp; Talent Development</p>	<p>No. of Regional Mentions of Change (RMOOC) in the State</p>	<p>No. of Private Universities in the State</p>
 <p>Diversity &amp; Inclusion</p>	<p>No. of startups with women founder(s)-founders in the state</p>	

## 4.3 Final Scoring and Categorization

For the final scoring of States/UTs under the 6<sup>th</sup> edition, scores under Documentary evaluation, Feedback Analysis and Private Ecosystem Mapping have been consolidated and

converted into percentiles based on Category A and B States/UTs. Based on the percentile performance, States/UTs are categorized as per the following grading groups:

### Best Performer

(Percentile 90 – 100)



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

### Top Performers

(Percentile 70 – 89)



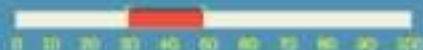
Top Performers have shown significant growth in respective Startup ecosystems and have established initiatives to nurture the entrepreneurs of the state.



### Leaders

(Percentile 60 – 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 Startup Ecosystem

(Percentile upto 30)



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



विना  
कुक हाउस

मिप्रा  
कुक हाउस

मिश्रा  
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N.L. Brothers  
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कुक हाउस



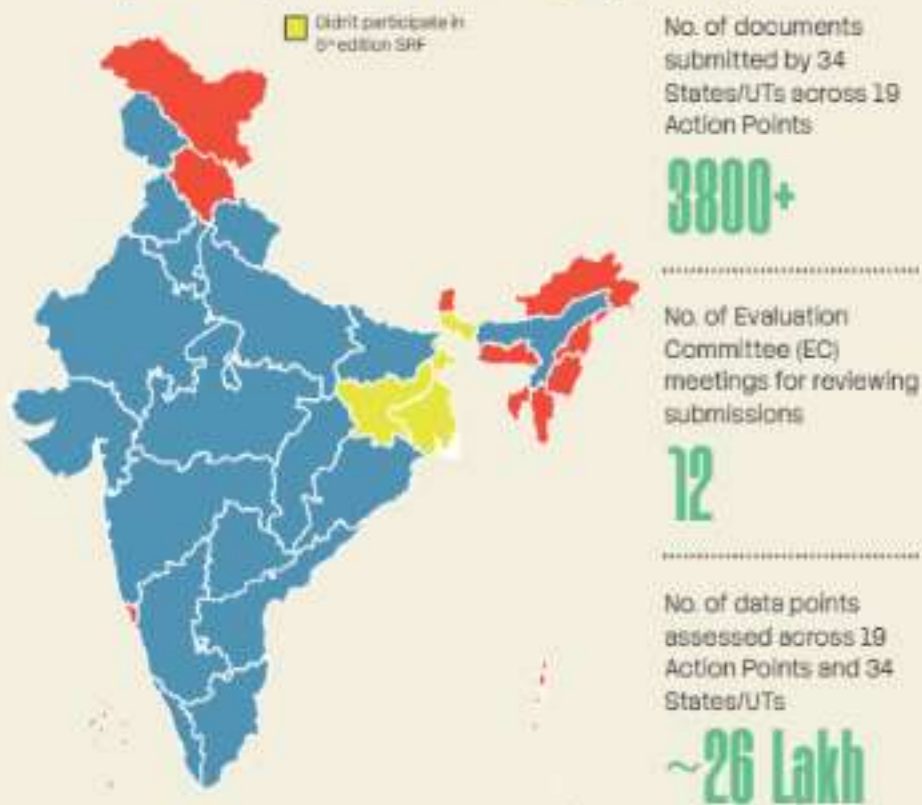
## Results and Insights from the 5<sup>th</sup> States' Startup Ecosystem Ranking

### 5.1 Overview of the Participation

The 5<sup>th</sup> edition of the States Startup Ecosystem Ranking saw participation from States and UTs across India. The States and UTs were divided into two categories, Category A and Category B. Category A has been further divided into two sub-categories, namely A1 and A2,

wherein Category A1 includes all States/UTs with a population of more than 5 crores, while Category A2 includes all States/UTs with a population of more than 1 crore and less than 5 crores. Category B includes all States/UTs with a population of less than 1 crore.

Figure 20: Overview of the Participation of the States/UTs

Participation of States/UTs in 5<sup>th</sup> edition of States Startup Ecosystem Ranking

## Category A States/UTs

## A1 States/UTs

1. Bihar
2. Gujarat
3. Karnataka
4. Madhya Pradesh
5. Maharashtra
6. Rajasthan
7. Tamil Nadu
8. Uttar Pradesh

## A2 States/UTs

9. Andhra Pradesh
10. Assam
11. Chhattisgarh
12. NCT of Delhi
13. Haryana
14. Jammu and Kashmir
15. Kerala
16. Odisha
17. Punjab
18. Telangana
19. Uttarakhand

## Category B States/UTs

- |   |                |
|---|----------------|
| 1. Andaman and Nicobar Islands              | 7. Ladakh      |
| 2. Arunachal Pradesh                        | 8. Lakshadweep |
| 3. Chandigarh                               | 9. Manipur     |
| 4. Dadra and Nagar Haveli and Daman and Diu | 10. Meghalaya  |
| 5. Goa                                      | 11. Mizoram    |
| 6. Himachal Pradesh                         | 12. Nagaland   |
|   | 13. Puducherry |
|   | 14. Sikkim     |
|   | 15. Tripura    |

## 5.2 Overview of Performance

Based on the performance of States and UTs, Category A and B States and UTs have been grouped as outlined below:

Figure 29: Overview of the Participation of the States/UTs



### Category A

- **Best Performer**  
Gujarat
- **Top Performer**  
Karnataka, Punjab, Tamil Nadu, Uttar Pradesh
- **Leaders**  
Rajasthan, Kerala, Madhya Pradesh, Uttarakhand, Telangana Maharashtra, Andhra Pradesh, Haryana
- **Aspiring Leaders**  
Odisha, Assam, Bihar, Jammu & Kashmir
- **Emerging Startup Ecosystem**  
Chhattisgarh, NCT of Delhi

### Category B

- **Best Performer**  
Arunachal Pradesh, Goa
- **Top Performer**  
Himachal Pradesh
- **Leaders**  
Manipur, Nagaland, Meghalaya
- **Aspiring Leaders**  
Mizoram, Sikkim, Tripura, Andaman and Nicobar Island,
- **Emerging Startup Ecosystem**  
Puducherry, Chandigarh, Ladakh, Lakshadweep, Dadra and Nagar Haveli and Daman and Diu

## 5.3 Key Insights from the Reform Areas

Based on the performance of States and UTs, Category A and B States and UTs have been grouped as outlined below.

### 5.3.1 Reform Area 1 – Institutional Support

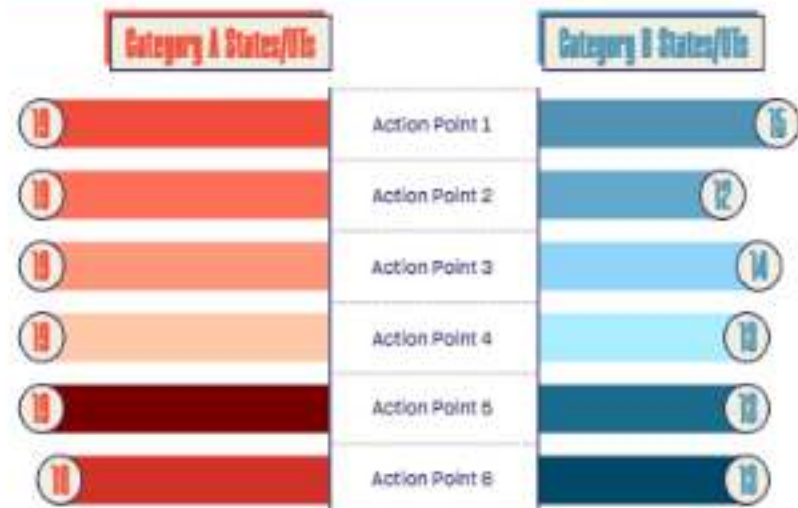
The reform area 'Institutional Support' focuses on the facilitation and execution of a State's / UT's Startup policy through a comprehensive user-friendly portal and specific incentives provided by various Government stakeholders, paving the way for easy access of information for startups and ecosystem stakeholders. It comprises 06 Action Points including the

presence of a startup policy, identification and development of priority sectors, support for women entrepreneurs, and initiatives for young student entrepreneurs. The goal is to ensure that startups receive structured and multi-departmental support, enabling them to thrive across sectors and demographics.

### Participation status

The Reform Area 'Institutional Support' witnessed active and encouraging participation across all 6 action points from States and UTs.

Figure 30: Number of States/UTs participated in each Action Point



## Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 14.7 for Category A and 7.7 for Category B States/UTs. The maximum score was observed to be 25 and 19 for Category A and B States/UTs respectively.

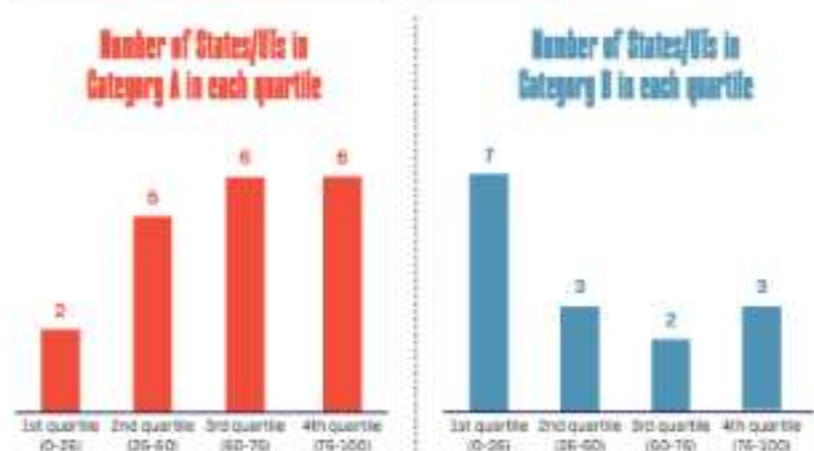
Figure 31: Average score of State/UTs from Category A and Category B



## Performance Summary of 'Institutional Support' Reform Area

6 States/UTs from Category A and 3 States/UTs from Category B scored in the range of 75 - 100 percentiles in the Reform Area 1.

Figure 32: Number of States/UTs under Category A and B in quartile

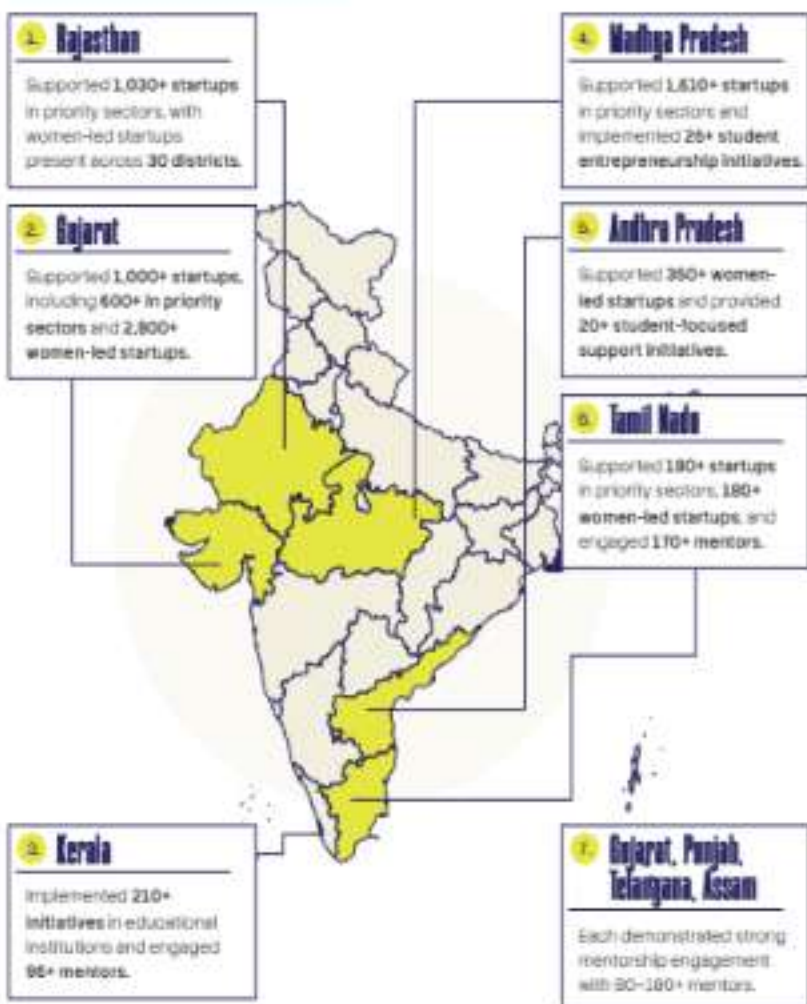


## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 1.



As per the submissions made by the participating States / UTs for **Action point 1**, below is a brief overview of the States and UTs with an active State Startup Policy, Nodal Officer, Nodal Department, and dedicated Team to support Startups.

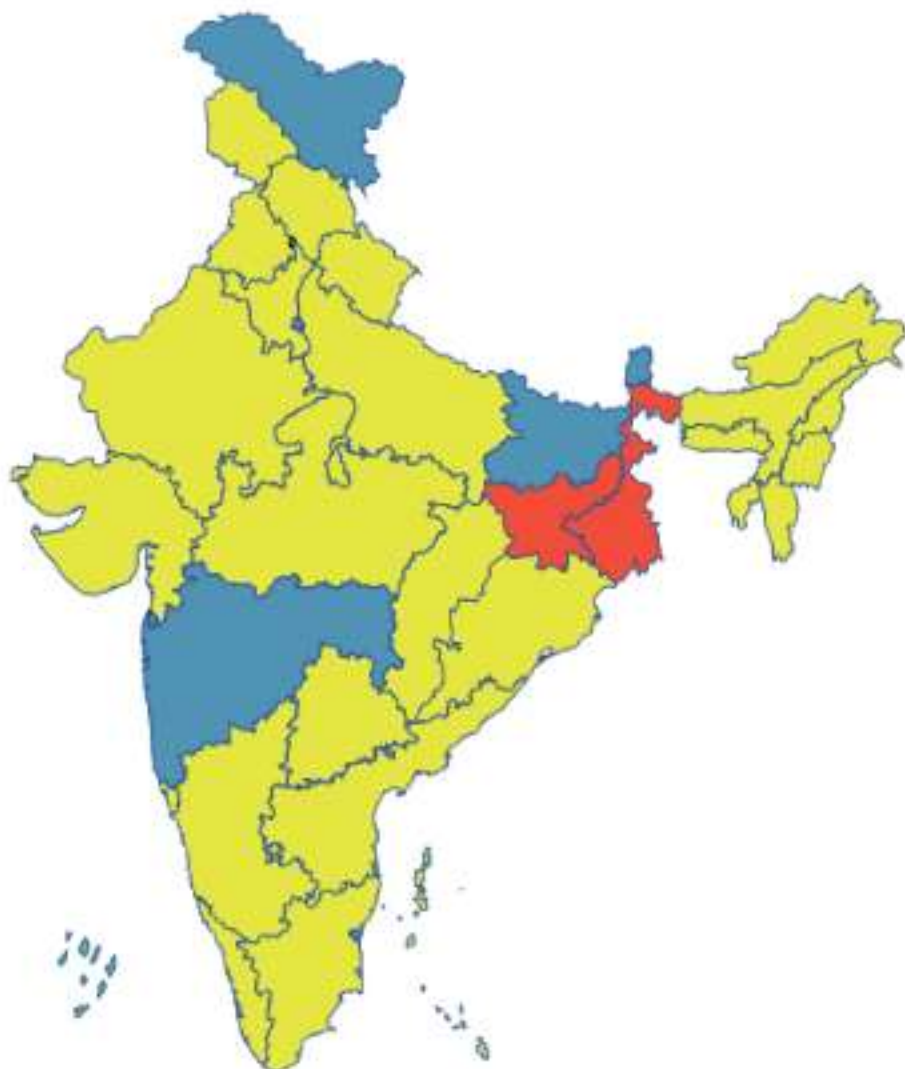
Figure 33: Key insights of Reform Area 1



## Key Insights from Action Point 1

-  State @ UTs that shared active Startup Policy and details on Nodal officer, Nodal department, and Dedicated team to support startups
-  States @ UTs that shared either active Startup Policy or details on Nodal officer or Nodal department or Dedicated team to support startups

-  States @ UTs that did not provide any active Startup Policy and details on Nodal officer, Nodal department, and Dedicated team to support startups
-  States/UTs that didn't participate (2 States/UTs)



As per the submission for **Action Point 2**, focusing on the development with a futuristic and disruptive focus, priority sectors were identified by all participating States / UTs from Category A and by 67% States / UTs from Category B.

Figure 25: Key insights from Action Point 2



Under **Action point 3**, focusing on the women-led startups that received support for entrepreneurial development, only 84% of the submissions from States/UTs from Category A met the prescribed qualification criteria out of all the States/UTs which submitted details on women-led startups supported during the period of consideration. On the other hand, for Category B states/UTs, only 40% of the submitted details related to the support provided to women-led startups were qualified.

In total,



were supported by all States/UTs during the period of consideration.

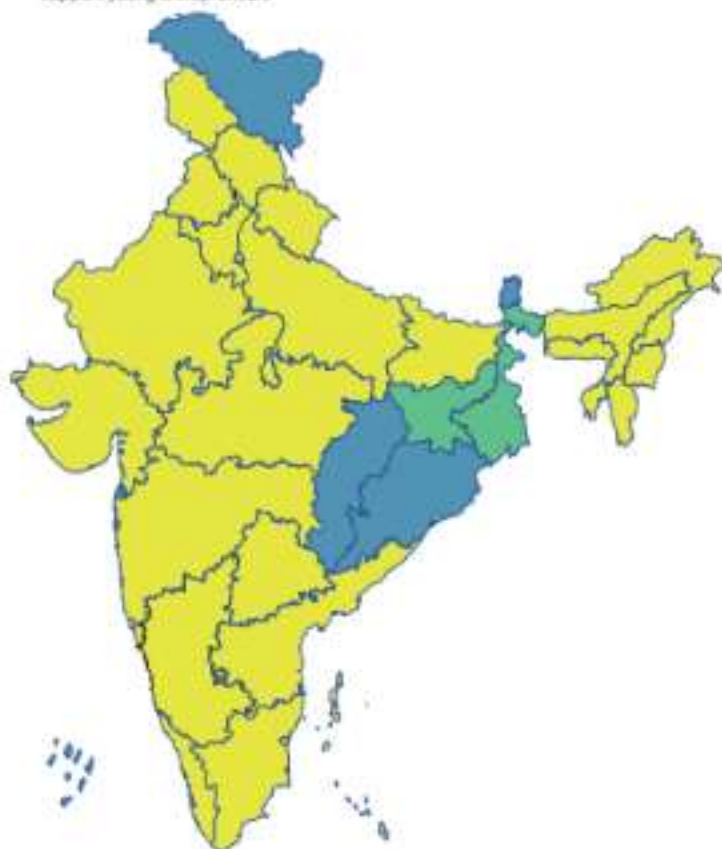
Figure 26: Key insights from Action Point 3



**Action point 4** focuses on the schemes/initiatives and programs provided in educational institutions to support student entrepreneurs in respective States / UTs.

Figure 37: Key Insights from Action Point 4

- States & UTs that shared active policies or programs to support young entrepreneurs
- States & UTs that did not participate
- States & UTs that did not share details on active policies or programs to support young entrepreneurs



**Action point 6** focuses on assessing the support provided by the State / UT to Startups in the public welfare sphere to create positive and lasting changes in society.

Overall, **19 States & UTs submitted** at least one scheme, notification or order detailing special incentives to support startups toward public welfare development. Besides, **14 States & UTs defined, and published in public domain**, which startups qualify to be public welfare startups.

Figure 38: Key insights from Action Point 5



**Action point 5** focuses on the number of mentors who provided support to the startups facilitated by the State government. The mentors are registered on the MAARG portal, including Corporates (including but not limited to corporations, MSMEs, entrepreneurs, innovators, makerspaces, NGO partners, Government organizations, investors, higher education institutes, and academicians (including applicants from research organizations).

Overall, 1330+ mentors from Category A & 146+ mentors from Category B States/UTs provided mentorship support to Startups during the period of consideration, based on the documentary evaluation of data submitted.

Figure 39: Key Insights from Action Point 6



Overall, 1470+ unique mentors provided mentorship support to Startups during the period of consideration, based on the evaluation of details submitted by States/UTs

## 5.3.2 Reform Area 2- Infrastructure Support

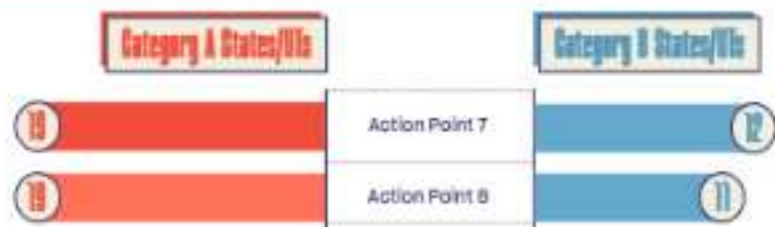
Under Reform area 2, Action Point 7 'Access to Digital Infrastructure' evaluates the extent to which the State/UT provides a robust online ecosystem for startups. It assesses the number of startups registered on the State Startup Portal and examines the digital availability of key policy processes such as incentive applications, grievance redressal mechanisms, and accessibility features, including support for local languages

and Persons with Disabilities (PWD). Action Point 8 'Access to Physical Infrastructure' focuses on the availability and enhancement of physical facilities that support startup growth. It evaluates the establishment of new manufacturing incubators, upgrades made to existing ones for hardware or manufacturing startups, and the overall number of startups that have received incubation support during the assessment period.

### Participation status

The Reform Area 2 saw participation of 31 States / UTs in action point 7 and 30 States / UTs in action point 8 across Category A and Category B.

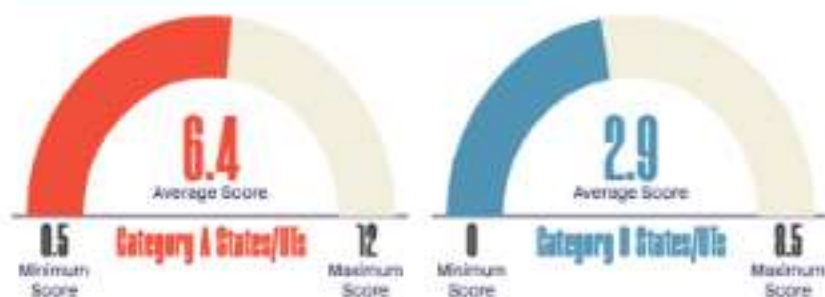
Figure 40: State/UTs participation status from Category A and B



## Analysis of scores

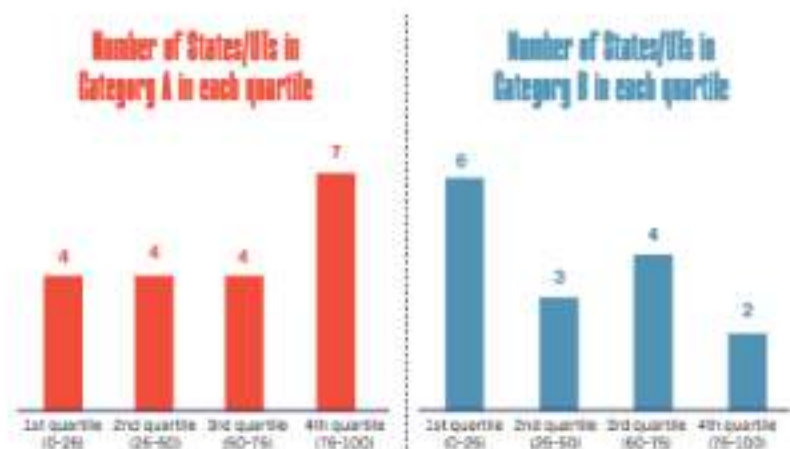
Based on the assessment, the category-wise average scores of this reform area stand at 6.4 for Category A and 2.9 for Category B States/UTs. The maximum score was observed as 12 and 8.5 for Category A and Category B States / UTs respectively.

Figure 4L. Average score of States/UTs from Category A and B



## Performance Summary of Infrastructure Support

Based on the performance under Infrastructure Support reform area, 6 States/UTs are placed in the 75 – 100 percentiles (4<sup>th</sup> Quartile) wherein 1 States/UTs from Category A and 2 States/UTs from Category B.



## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 2.

**Action point 1** focused on evaluating the comprehensiveness and accessibility of the State Startup Portal. It assesses how

effectively States and UTs are facilitating startup engagement through their online platforms. The key aspects under review include the total number of startups registered on the portal and the extent to which essential features are integrated such as the digital availability of incentive applications, a functional grievance redressal mechanism, multilingual accessibility in the local or official language, and provisions ensuring that the website is accessible to Persons with Disabilities (PWD).

Figure 42: Key insights of Reform Area 2

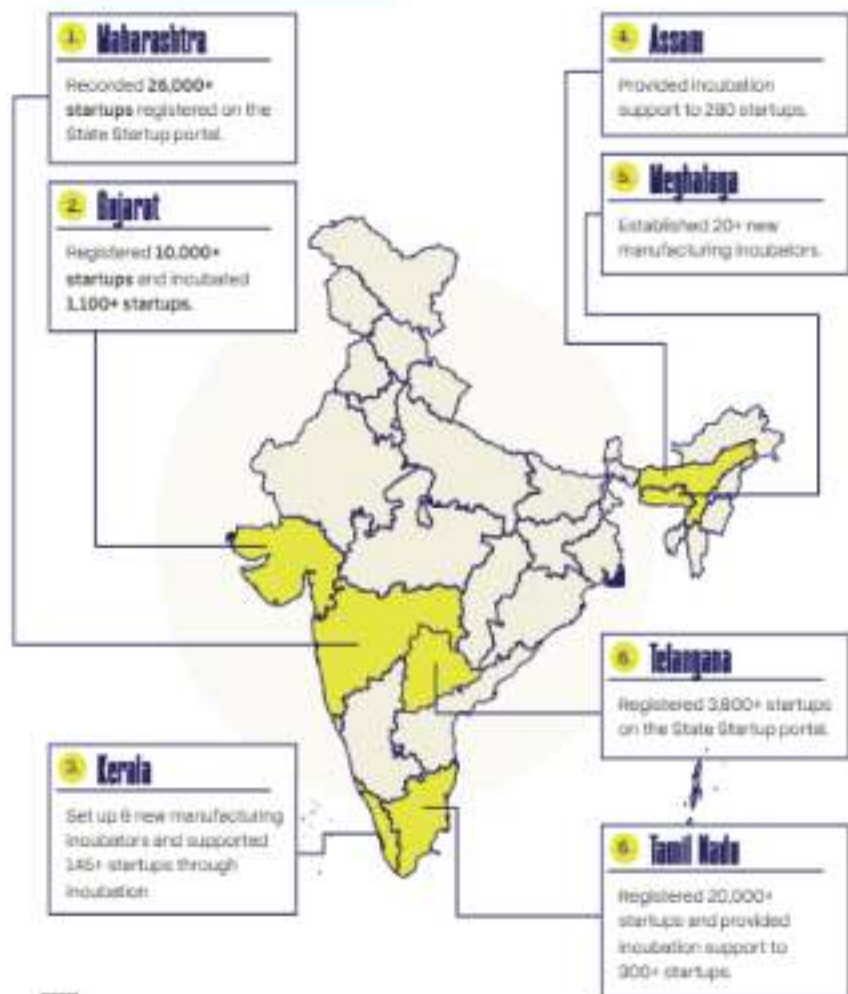
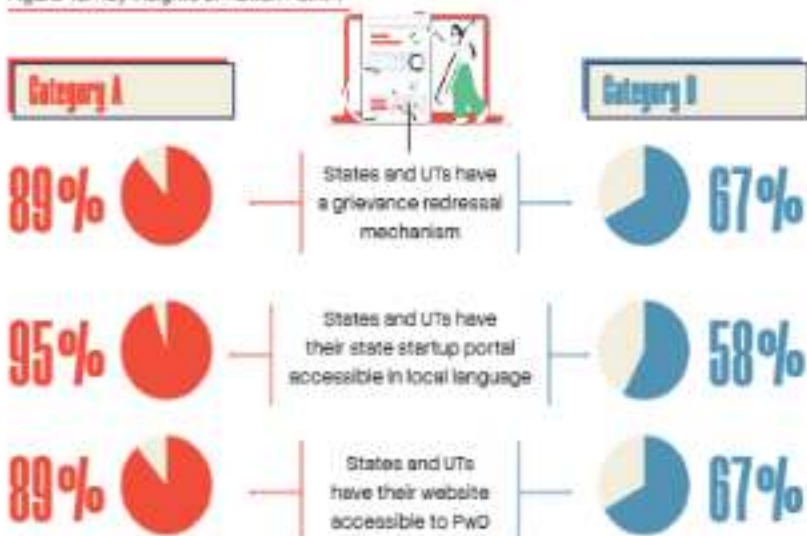


Figure 43: Key insights of Action Point 7



Action point 8 focuses on assessing the efforts of States and UTs in strengthening the manufacturing and hardware startup ecosystem. It looks at the establishment of new manufacturing incubators, the upgradation of existing ones to support hardware-focused

startups, and the number of startups that have received incubation support during the review period. The aim is to evaluate how effectively States are building infrastructure and providing support systems to nurture innovation and growth in the manufacturing sector.

Figure 44: Key insights of Action Point 8



## 5.3.3 Reform Area 3- Funding Opportunities

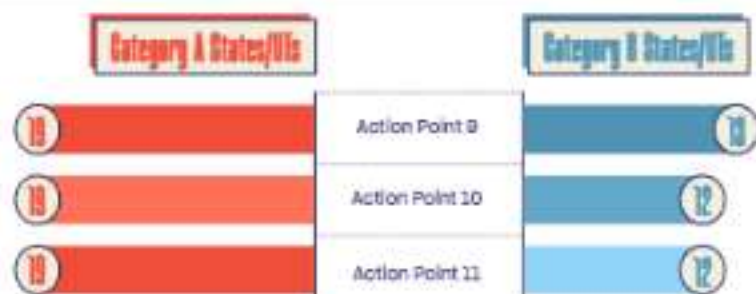
The 'Funding Opportunities' reform area is designed to strengthen the financial infrastructure available to startups by encouraging States and UTs to establish or support dedicated funding mechanisms. These include Seed Funds, Venture Funds, and Fund of Funds that are either newly created or actively maintained by the State. A key aspect of this initiative is the prioritization of sectoral

allocations within these funds, ensuring that startups operating in identified priority sectors receive targeted financial support. Additionally, States are further encouraged to collaborate with banking and financial institutions to introduce special funding provisions that cater to the evolving needs of startups, thereby enhancing their access to capital.

### Participation status

Given below is a brief snapshot of the States and UTs that participated in Reform Area 3.

Figure 45: Number of States/UTs participated in each Action Point



### Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 5.4 for Category A and 1.8 for Category B States/UTs. The maximum score was observed as 12 for Category A and 6 for Category B States / UTs.

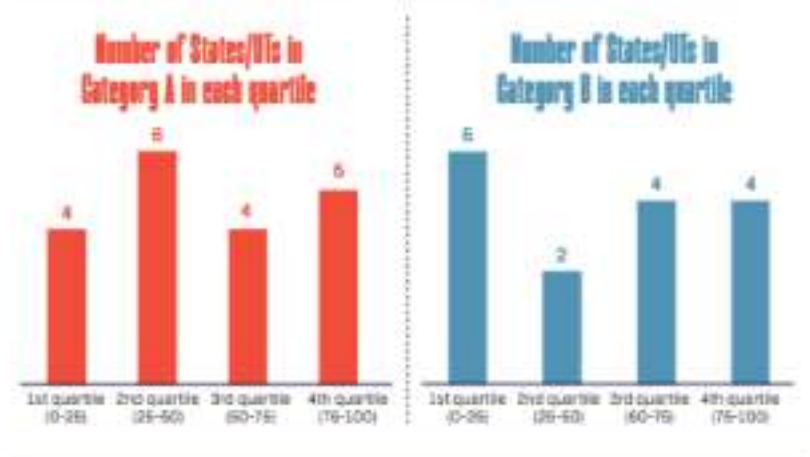
Figure 46: Average score of States/UTs from Category A and B



## Performance Summary of Funding Opportunities

Under the Funding opportunities reform area, 5 States/UTs from Category A and 4 States/UTs from Category B are placed in the 4th quartile (75-100 percentiles).

Figure 47: Number of States/UTs under Category A and B in quartile



## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 3.

**Action Point 9** aims to assess how the State/UT is enabling startup access to finance through two major dimensions:

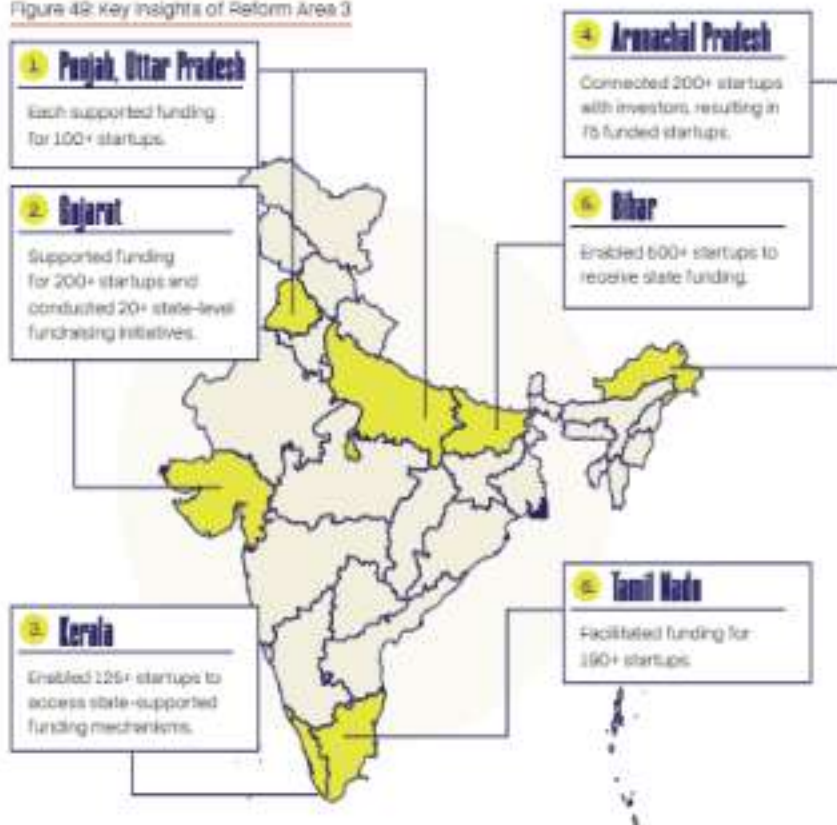
- First, it checks whether the State has established or supported a Seed Fund, Venture Fund or Fund of Funds dedicated to startups, and whether that fund has earmarked allocations for startups in priority sectors within its domain.
- Second, it evaluates whether the State has initiated special funding arrangements in collaboration with banks or financial institutions to facilitate startup financing.

The objective is to examine both the availability of structured public-funding mechanisms and the partnership models that link startups to formal financial institutions.

Figure 48: Key Insights of Action Point 9



Figure 49: Key insights of Reform Area 3



Based on the documentary evaluation, 20+ States/UTs have initiated special funding provisions for Startups in collaboration with banking/financial institutions during the period of consideration, including States/UTs like Gujarat, Karnataka, Maharashtra, Andhra Pradesh, among others in Category A and Arunachal Pradesh, Himachal Pradesh, Meghalaya, Mizoram, among others in Category B.

**Action point 10** focuses on the startups that received funding through state-supported funds or mechanisms.

Overall, 2030+ startups across Category A & B received funding through state-supported funds or mechanisms. Besides, 21% of the Category A and States/UT are awarded full-marks based on their submissions under Action Point 10.

Figure 50: Key Insights of Action Point 10

Share of States/UTs from Category A & B with different Scores	
<b>Awarded 3 marks</b> (No. Category A >150 startups; Category B >100 startups)	<b>Awarded 2 marks</b> (No. Category A – 51-150 startups; Category B – 51-100 startups)
Category A – 21% of 19 States/UTs Category B – 0	Category A – 22% of 19 States/UTs Category B – 7% of 16 States/UTs

**Action point 11** evaluates how effectively a State facilitates access to capital for its startup ecosystem. It examines the number of State-led programs that include pitching sessions aimed at promoting angel funding, equity financing or debt financing, such as investor meets, demo days, and startup showcases. In addition to the volume of these initiatives, the action point also measures their impact by assessing the

number of successful connections created between startups and investors through these programs or partnerships.

Overall, **210+ unique Startups have been connected with investors across 210+ programs with pitching sessions** undertaken by state to promote angel funding, equity financing, debt financing for all States & UTs during the period of consideration.

Figure 61: Key Insights of Action Point 11

Number of states with initiatives undertaken to promote angel funding/equity funding and debt financing	Category A: 84% Category B: 33%
Number of successful connects between startups and investors	Category A: 26% Category B: 7%

## 5.3.4 Reform Area 4 – Market Access & Reach



@gohitastock

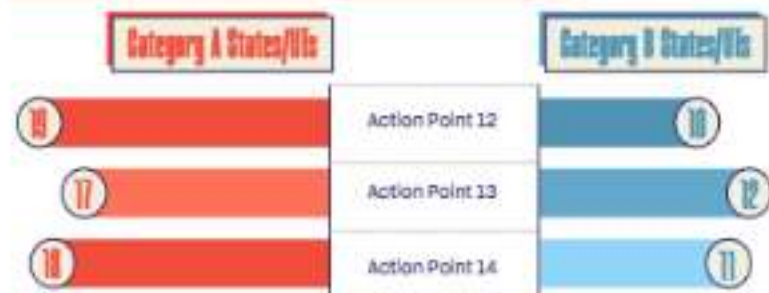
The Reform Area Market Access and Reach aims to motivate State and UT Governments to enhance startup participation in public procurement and act as facilitators in creating market opportunities, both domestic and international, for startups. States and UTs are assessed based on their initiatives to support startups, including organizing showcase platforms such as Hackathons, Demo Days, Buyer-Seller Meets, GeM workshops, Grand Challenges, and national/international events, as well as offering relaxed eligibility criteria for government work orders.

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. By assessing the breadth and depth of market access initiatives, this reform area highlights the role of states in helping startups scale and succeed in competitive markets.

## Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 6.

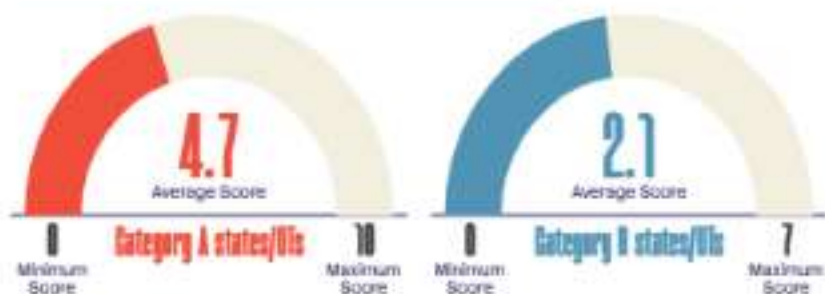
Figure 52: Number of States/UTs participated in each Action Point



## Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 4.7 for Category A and 2.1 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 10, while for Category B it was observed to be 7.

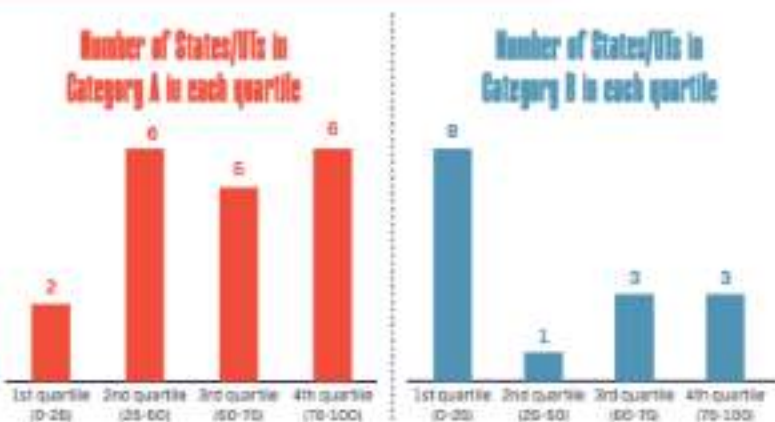
Figure 53: Average score of States/UTs from Category A and B



## Performance Summary of Market Access & Reach

5 States & UTs have been positioned in the 4th quartile (i.e. 75-100 percentile scores) wherein 6 States/UTs are Category A and 3 are Category B States/UTs.

Figure 64: Number of States/UTs under Category A and B in quartile



## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 4.

Figure 65: Key insights of Reform Area 4



**Action Point 12** focuses on the number of tenders floated by the State government/PSUs which allowed participation of startups through relaxations.

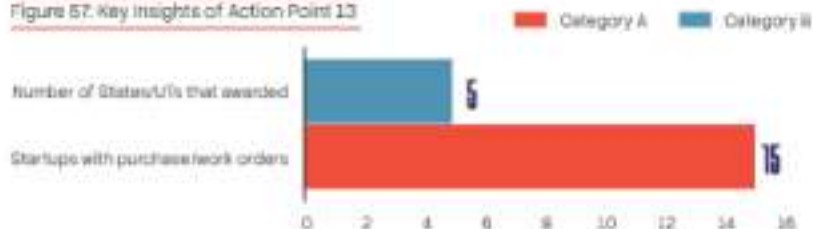
Figure 56: Key insights of Action Point 12



**Action Point 13** captures the number of startups that have been awarded with work orders/ purchase orders. Overall, 730+ startups have been awarded purchase/work orders across all States/UTs during the period of consideration, based on documentary evaluation. Besides, 22+

States/UTs submitted the details such as copies of Work Orders, etc. under this Action Point, out of which Work Orders from 20 States/UTs were qualified for scoring basis the mandatory guidelines under the framework.

Figure 57: Key Insights of Action Point 13



**Action point 14** focuses on the number of initiatives providing market access opportunities to the startups which are funded end-to-end by the State/UT. Overall, 630+ initiatives providing market access opportunities to startups have been conducted across all States/UTs during the period of consideration.

Based on the qualified documentary submissions, 15 out of 19 Category A States/UTs have initiated market access opportunities for startups whereas 8 out of 16 Category B States/UTs conducted events for startups.

Figure 68: Key insights of Action Point 14



### 5.3.5 Reform Area 5 - Ecosystem Capacity Building

Capacity building of officials across State Government departments plays a crucial role in enhancing the startup ecosystem. As part of this Reform Area, States / UTs are evaluated based on the number of sensitization workshops or programs organized to enhance officials' understanding of India's startup landscape, as well as the level of departmental participation in these initiatives.

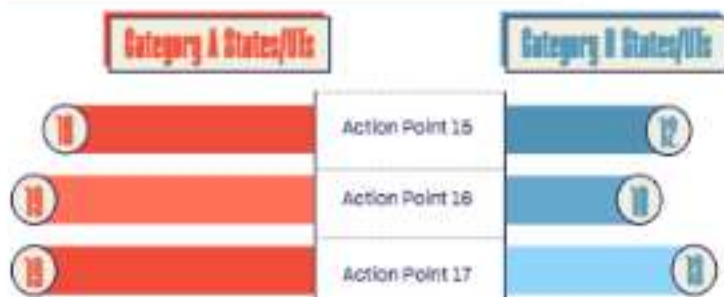
These efforts help align government departments with national startup policies and promote a more supportive administrative environment for entrepreneurs. The training of State-Supported Incubators section focuses on developing the capabilities of State-supported

incubators that is vital for nurturing high-quality startups. States are assessed on the number of incubators trained through capacity development workshops aimed at improving incubation practices, mentorship quality, and operational efficiency. Such training initiatives contribute to building a robust network of incubators equipped to provide targeted support to emerging startups. Reform area also covers sensitizing key enablers such as mentors, investors, accelerators and startups themselves. As part of this Action Point, States / UTs are evaluated based on the number of programs conducted or supported to raise awareness and build capacity among these stakeholders.

### Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 5:

Figure 69: Number of States/UTs participated in each Action Point



## Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 4.8 for Category A and 1.6 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 9, while for Category B it was observed to be 7.

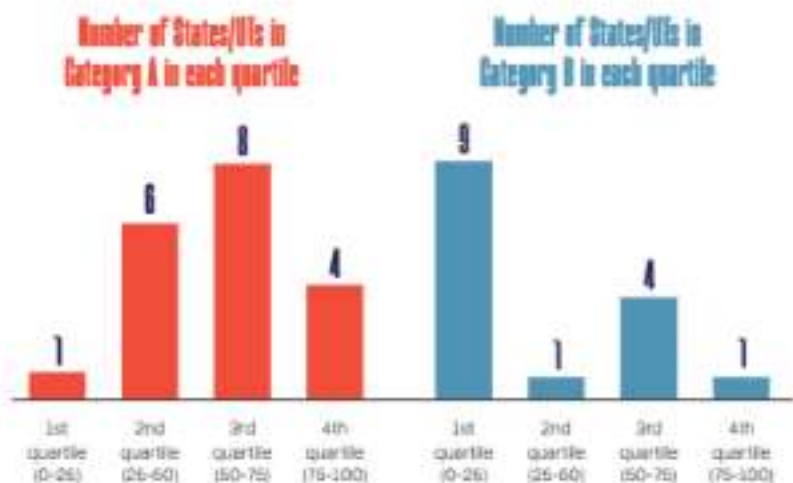
Figure 60: Average score of States/UTs from Category A and B



## Performance Summary of Ecosystem Capacity Building

5 States/UTs have been positioned in the 4th quartile (viz. 75-100 percentile) based on their performance, wherein 4 States/UTs are from Category A and 1 from Category B.

Figure 61: Number of States/UTs under Category A and B in quartiles



## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area B.

**Action Point 1B** assesses the extent to which the State/UT has undertaken sensitization efforts to build awareness among government officials about the Startup ecosystem. It examines the number of sensitization

workshops or programs conducted for officials of various State departments, focusing on familiarizing them with policy interventions, support mechanisms, and the roles of different departments in encouraging a conducive startup environment. It also evaluates the level of departmental participation by reviewing how many State departments engaged in these sensitization initiatives. The objective is to understand both the scale of capacity-building efforts and the breadth of inter-departmental involvement in strengthening the States' startup ecosystem.

Figure B2: Key insights of Reform Area B





Under this Action Point, **321+ State/UT Departments** across all States/UTs participated in the sensitization workshops and programs during the period of consideration.

**Action point 16** - This parameter assesses the extent to which the State/UT has strengthened the capabilities of its incubators through targeted training initiatives. It reviews the number of State-supported incubators that have been trained through capacity-development workshops aimed at improving their operational effectiveness, mentoring quality, and service delivery to startups. The objective is to evaluate how actively the State is investing in enhancing

the competencies of incubator teams to ensure a more robust and supportive startup ecosystem.

Overall, **1140+ incubators have been trained through capacity building workshops** across States/UTs during the period of consideration, wherein majority have been under Category A (1140). On the scoring, 11% of Category A and 7% of Category B States/UTs have been awarded full marks (2 Marks) whereas 69% of Category A and 13% of Category B States/UTs have been awarded partial marks (1 Mark), based on the documentary evaluation.

Figure 83: Key Insights of Action Point 16

States/UTs awarded 2 Marks (>60 percentile)	States/UTs awarded 1 Mark (3-60 percentile)
<ul style="list-style-type: none"> <li>11% States/UTs from Category A</li> <li>7% States/UTs from Category B</li> </ul>	<ul style="list-style-type: none"> <li>68% States/UTs from Category A</li> <li>13% States/UTs from Category B</li> </ul>

**Action point 17** - This parameter aims to evaluate the State/UT's efforts to strengthen the broader startup ecosystem by sensitizing key ecosystem enablers. It examines the number of programs conducted or supported by the State to engage existing and potential mentors, investors, accelerators, and startups, with a focus on building their awareness of policy interventions,

support mechanisms, and opportunities within the State's startup landscape.

Overall, **76+ programs conducted/supported to sensitize existing and potential ecosystem enablers** such as Mentors, Investors, Accelerators, etc.

Figure B4: Key insights of Action Point 17



### 5.3.6 Reform Area 6 - Focus On Innovation And Sustainability

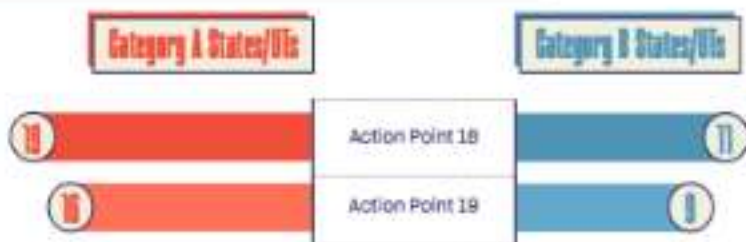
Innovation and sustainability are key to long-term economic and environmental resilience. This reform area analyzes how states are encouraging startups to develop cutting-edge solutions and adopt sustainable practices. It highlights the importance of protecting intellectual assets and

investing in future-ready sectors. By tracking policy initiatives, support mechanisms, and beneficiary startups, this area underscores the role of states in driving responsible and impactful entrepreneurship.

#### Participation status

Below is a brief snapshot of the States and UTs that participated in Reform Area 6.

Figure B6: Number of States/UTs participated in each Action Point



## Analysis of scores

As per the assessment, the category-wise average scores of this reform area stand at 5.2 for Category A and 2.1 for Category B States/UTs. The maximum score for Category A States/UTs was observed to be 6, while for Category B it was observed to be 6.

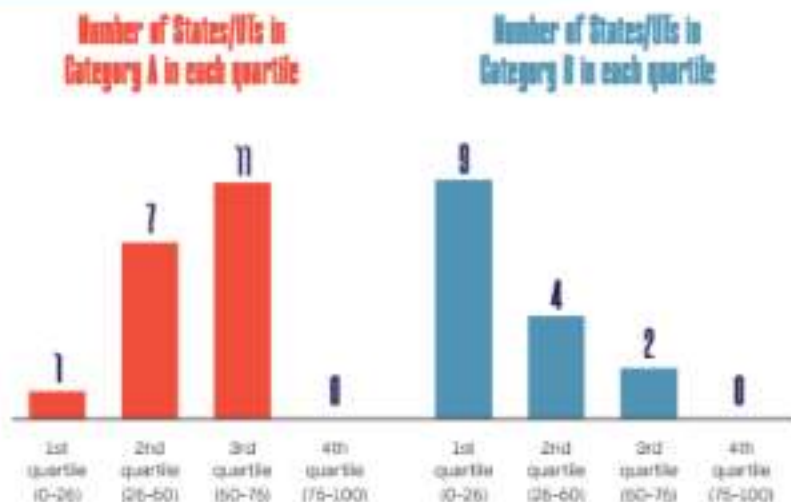
Figure 66: Average score of States/UTs from Category A and B



## Performance Summary of focus on Innovation and Sustainability

States/UTs have been positioned in the 3rd quartile (viz. 80-75 percentiles) based on their performance; wherein 11 States/UTs are from Category A and 2 from Category B.

Figure 67: Number of States/UTs under Category A and B in quartile



## Action-point-wise key insights

Based on documentary evaluation of submissions by States and UTs, the following highlights the qualified statistics across different action points under Reform Area 5.

**Action Point 18** assesses the State/UT's initiatives to support innovation among startups. It reviews whether special provisions have been

introduced to facilitate and fast-track Intellectual Property Rights (IPR) and whether R&D support is provided for startups in priority sectors. The objective is to gauge how the State/UT encourages innovation, knowledge protection, and technology-driven growth for startups.

**23+ States/UTs have introduced R&D support programs** specifically targeting startups in priority sectors during the period of consideration.

Figure 8B: Key Insights of Reform Area 6

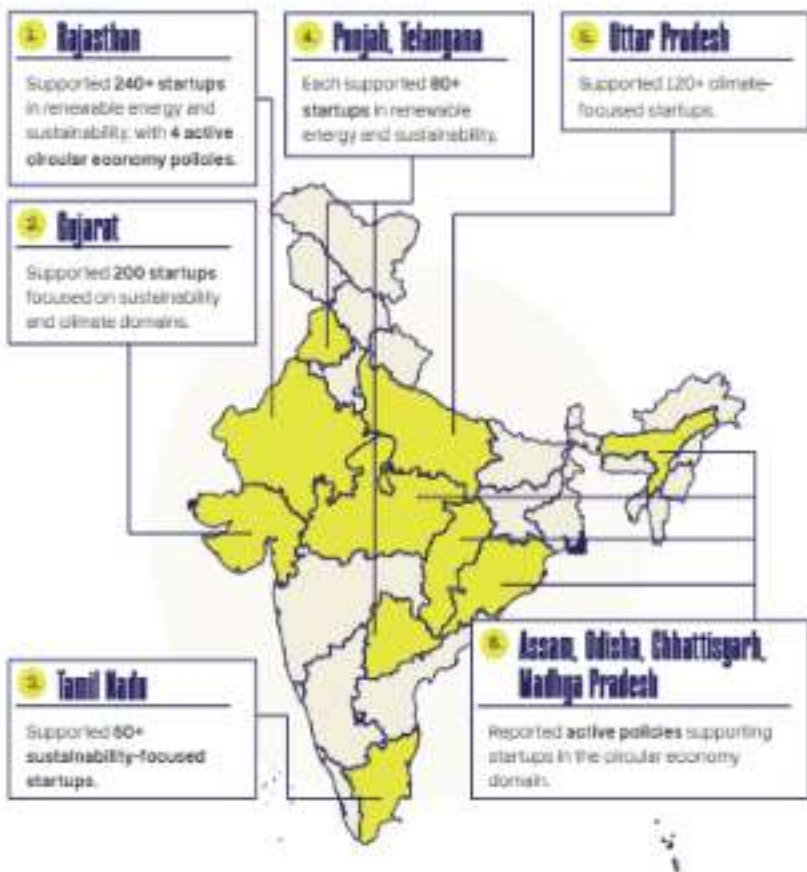
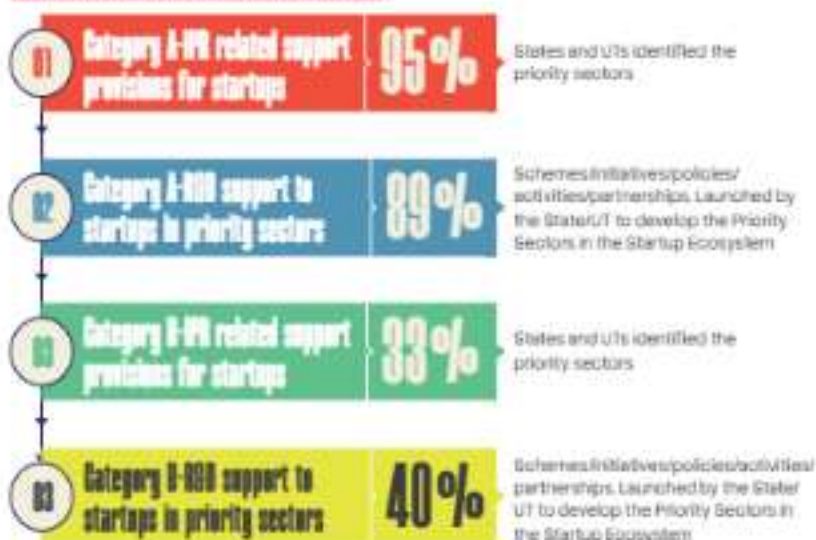


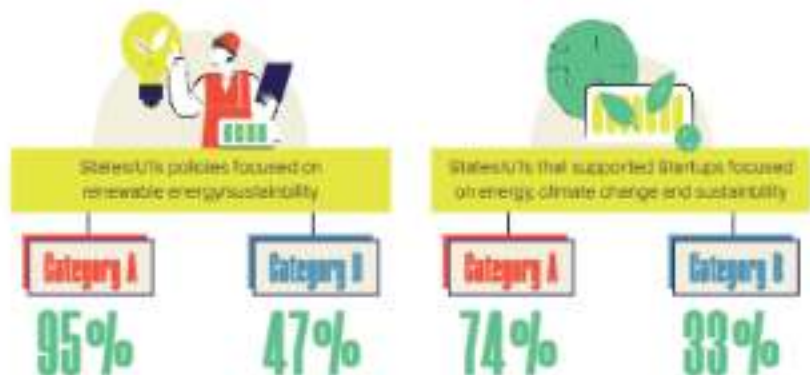
Figure 69. Key Insights from Action Point 18



**Action Point 19** assesses the State/UT's support for sustainable and green innovation. It reviews the number of active policies supporting startups in the Circular Economy Domain and the number of startups focused on renewable energy, climate change and sustainability that have received support from the State government. The objective is to evaluate how the State/UT is promoting environmentally sustainable entrepreneurship and enabling startups to contribute to a green and circular economy.

Across all States/UTs, **50+ policies & schemes are active covering incentives** for focused on renewable energy and climate change and sustainability. In addition, these policies **supported 1320+ startups** focused on renewable energy, climate change and sustainability during the period of consideration. Based on the submissions made by participating States & UTs, **96% of the Category A States/UTs** have policies focused on renewable energy, sustainability and circular economy wherein Startups are supported whereas **47% of the Category B States & UTs** have such active policies.

Figure 70. Key insights from Action Point 19



## 5.4 Feedback Analysis

### 5.4.1 Overview

Under the 6<sup>th</sup> edition of the States' Startup Ecosystem Ranking, the assessment approach went beyond evaluating documentary submissions by States and UTs to also capture the real-world impact of their initiatives on Startups. Through 'Feedback Analysis', the framework sought to understand how effectively State and UT policies, schemes and institutional mechanisms are translating into tangible support for entrepreneurs, providing valuable on-ground insights directly from startups and ensuring that the assessment reflects not just policy intent but also actual outcomes and experiences within each region's startup ecosystem.

The 6<sup>th</sup> edition constitutes qualitative and quantitative feedback collection:

- Quantitative feedback was used for scoring States and UTs as part of the ranking framework.
- Qualitative feedback, while not scored, provided valuable insights into the strengths, gaps, and on-ground perceptions of each State's startup ecosystem.

The outreach covered over

**1.3** Lakh beneficiaries across 34 States and UTs, involving more than 9,000 phone calls and 1.8 lakh emails.

To ensure inclusivity and better engagement, surveys were conducted in nine languages—English, Hindi, and seven regional languages

including Tamil, Telugu, Malayalam, Marathi, Odia and Gujarati. Each respondent was contacted up to three times at different time slots to ensure adequate representation and completeness of responses.

Figure 11: Snapshot of the outreach process



A comprehensive questionnaire has been developed for soliciting response from the states. These comprise of two major categories as elucidated below:

Figure 72: Questionnaire for feedback analysis

## Awareness Based Questions



## Beneficiary based Questions:

### Reform Area 1: Institutional Support

Has your Start-up benefited from any such policy/ scheme in the last 3 years?



### Reform Area 2: Infrastructure Support

Have you ever used this grievance redressal mechanism in the last 3 years? If yes, did you find it effective in resolving your issues?



### Reform Area 3: Funding Opportunities

Has your Startup received any funding through these State-supported mechanisms in the last 3 years?



### Reform Area 4: Market Access & Reach

Has your Startup ever received a work/purchase order under these relaxations in the last 3 years?



### Reform Area 5: Ecosystem Capacity Building

Have you been offered access to state-supported incubators or co-working spaces in the last 3 years?



### Reform Area 6: Innovation & Sustainability

Has your Startup benefited from such R&D grants/ subsidies or IPR fast-tracking support?



Maximum score:  
2 Marks each

The awareness-based questions were administered to all DPIIT-recognized startups registered within the period of consideration across all 34 States and UTs participating in the States' Startup Ranking exercise, while the beneficiary-related questions were directed

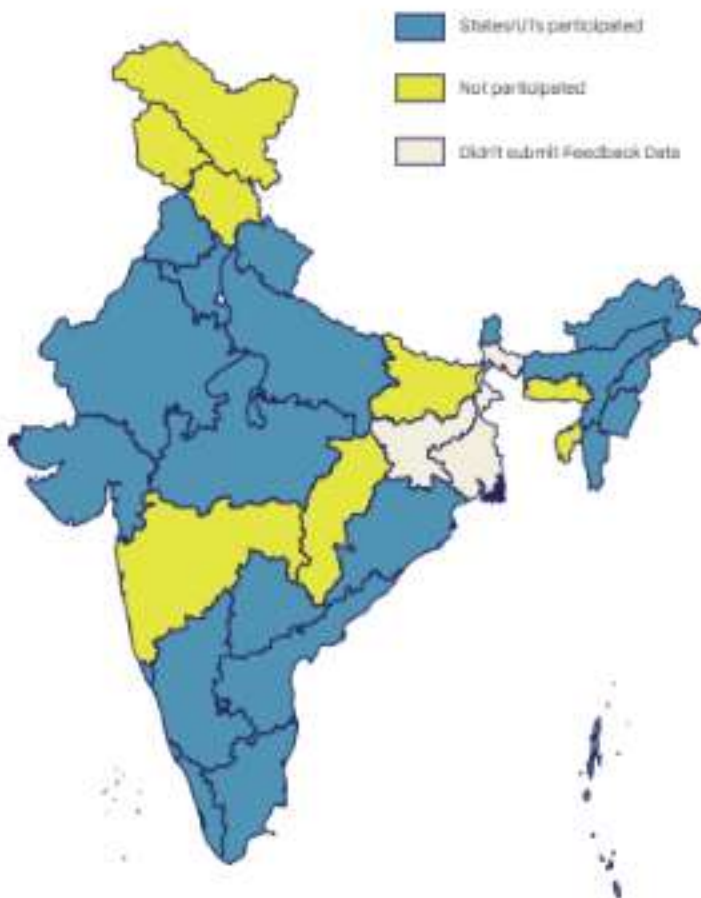
to startups from the 21 States and UTs that had submitted beneficiary data as part of the exercise.

The next section elucidates the states which had participated in the feedback analysis.

## 5.4.2 State and UT level participation

A total of 21 States and UTs provided their respective lists of startups for the feedback exercise. For the remaining 13 States and UTs, startups were identified and reached out to through DPIIT's (BHARAT) Registry database.

Figure 73: Status of participation of states and UT in Feedback analysis exercise under 6<sup>th</sup> edition of States Startup Ecosystem Ranking

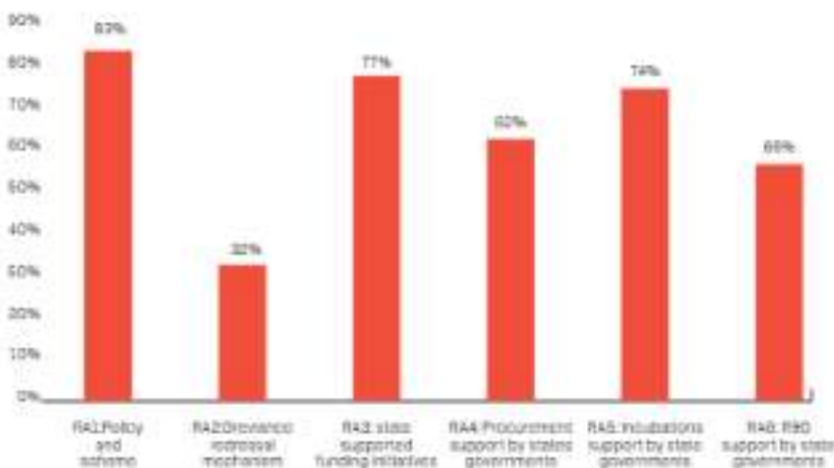


The subsequent section delves into the insights derived from the feedback analysis.

## 5.4.3 Results and Insights - Quantitative Feedback

The result of the feedback analysis exercise under 5<sup>th</sup> edition of States' Startup Ecosystem Ranking has been summarized below.

Figure 74. Reform area wise response to awareness queries



below are the key findings from the quantitative feedback assessment across all 34 participating States and UTs, at a startup level as well as a State and UT level.

### 1. Assessment at Startup level:

#### a Startup policies / Schemes

Out of the total Startups surveyed across the States/UTs, **80% respondents, showed awareness regarding the startup policy** of their respective states. Out of these **30% of the respondents** mentioned that they have availed the benefits under startup policies and schemes.

#### b Grievance redressal mechanism (portal/helpline):

**32% of the respondents** revealed that they are aware of the grievance redressal mechanism (portal/helpline) in their respective states and UTs. Out of those who are aware of the grievance redressal mechanism, **24%** mentioned that they found the grievance redressal portal to be useful.

### c Funding schemes / provisions:

Out of the respondents surveyed, 77% of the respondents mentioned that they were aware about seed funds, venture funds, or other special funding provisions. Out of those who are aware of the funding schemes, 19% mentioned that they have received funding from state-funded schemes.

### d Public Procurement Process:

Out of the respondents surveyed, 62% of the respondents mentioned that state Government agencies and PSUs provide relaxation in procurement rules for startups. Out of those who are aware of the relaxation in public procurement, 18% mentioned that they have been awarded Government contracts.

### e Incubation / accelerator / mentorship programs

Out of the respondents surveyed, 74% of the respondents mentioned that they are aware of various state sponsored incubation support, accelerator program, or mentorship program. Out of those who are aware of the state level incubation and mentorship programs, 20% mentioned that they have received incubation or mentorship support.

### f R&D IPR support:

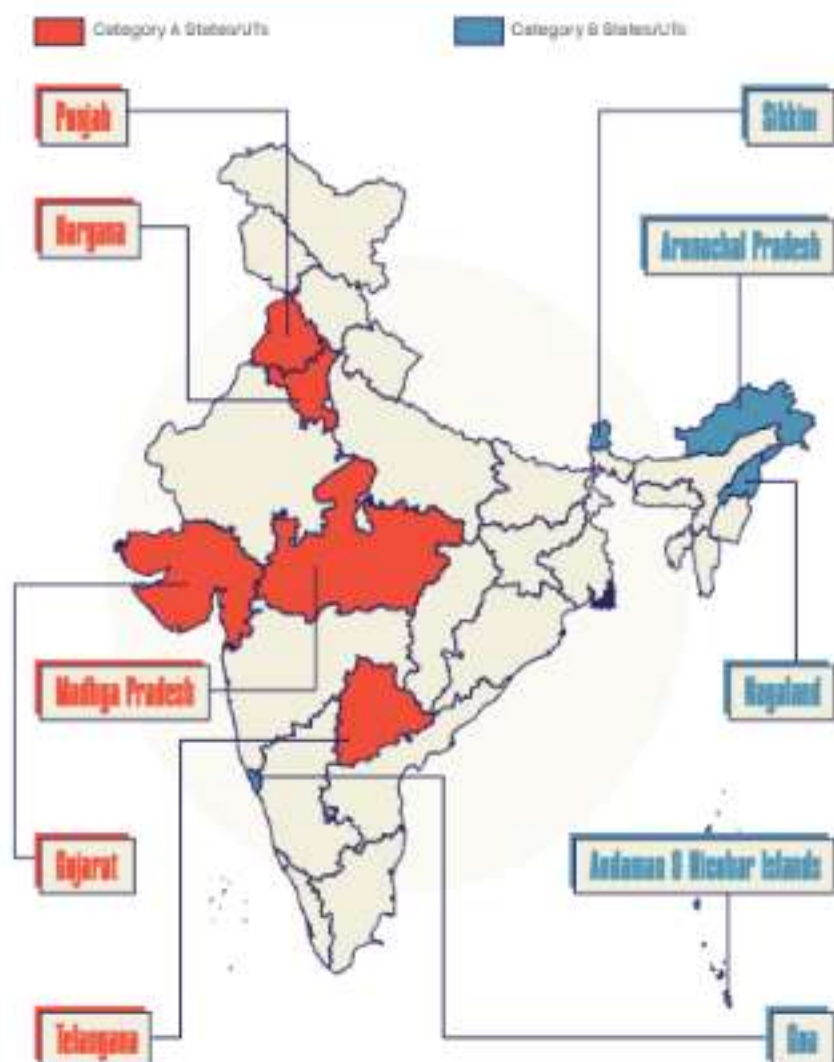
Out of the respondents surveyed, 66% mentioned that they are aware of R&D support or any special provisions by State/UT to support and fast-track IPR filings for startups. The following graph provides a visual representation of the responses received to the awareness and beneficiary-based questions. Out of those who are aware of support in R&D and IPR, 18% mentioned that they have benefited from such R&D grants/subsidies or IPR fast-tracking support.



## 2. Assessment at State & UT level

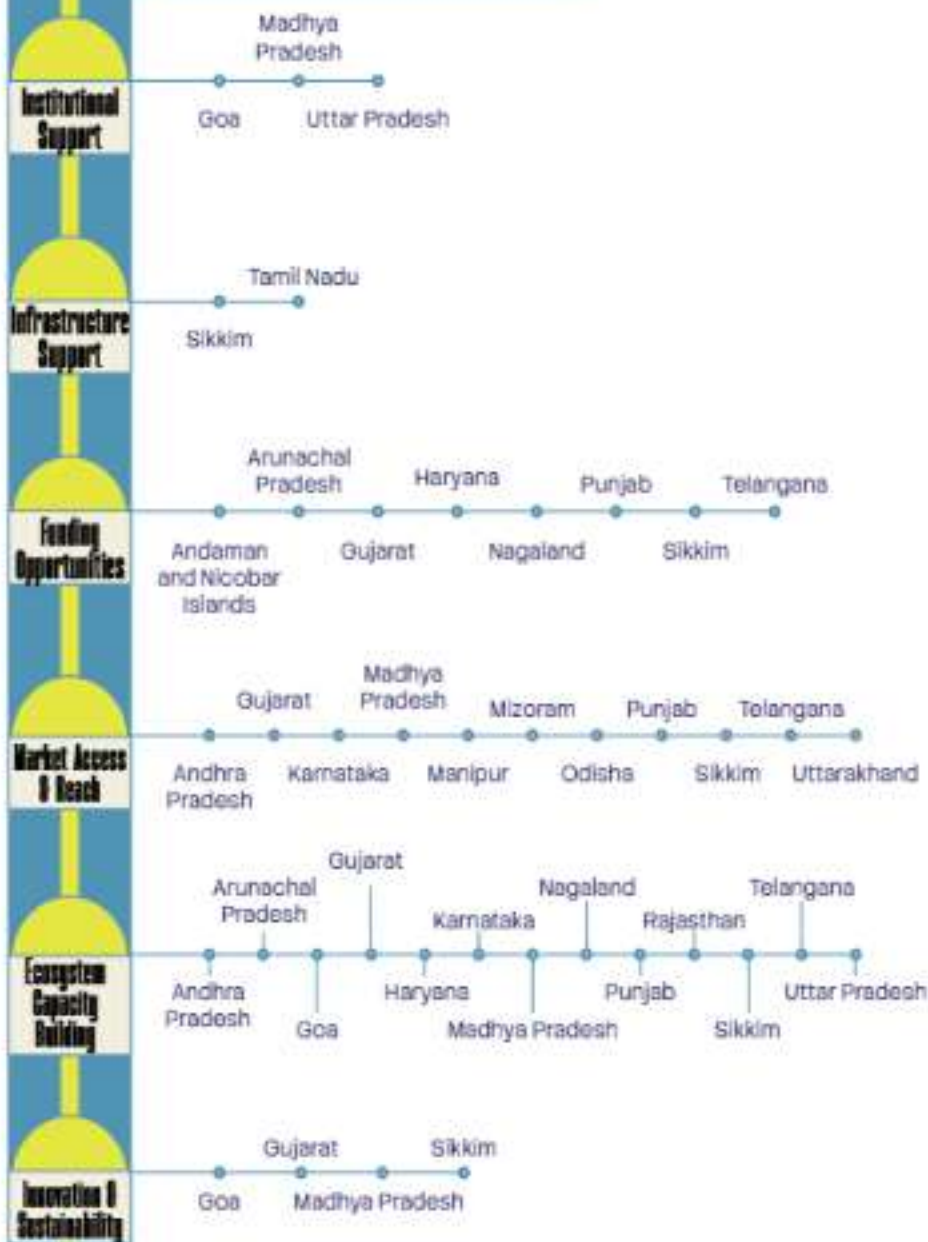
The top performing states at a gross score level across categories have been illustrated below.

Figure 7B: Leading States/UTs based on Feedback Scores under Category A and B - Feedback Analysis



The following sections provide an understanding of the performance of states across reform areas.

Figure 7B: Reform area wise top performing states



## 5.4.4 Results and Insights- Qualitative Feedback

Below are the key findings from the qualitative feedback assessment across all 34 participating States and UTs:

**Table 2: Summary of qualitative feedback- Feedback Analysis**

Theme	Key insights
Policy Implementation and Delivery	<ul style="list-style-type: none"> <li>Many States/UTs are in early stages of operationalizing their startup policies. Strengthening last-mile implementation can further enhance impact.</li> <li>Streamlining approval and disbursement timelines for benefits such as subsistence allowance, seed funding, and reimbursements can improve startup confidence.</li> </ul>
Access to Funding and Financial Support	<ul style="list-style-type: none"> <li>Startups highlighted the need for wider access to early-stage funding, including seed grants, working capital, and venture support. States could consider setting up dedicated seed funds or guarantee schemes with clearly defined release timelines linked to performance milestones.</li> <li>Inclusion of service-based startups in incentive frameworks can further diversify supported sectors.</li> <li>Expanding support for IP protection, patent filing, and R&amp;D assistance can encourage innovation.</li> </ul>
Mentorship, Networking, and Market Linkages	<ul style="list-style-type: none"> <li>Strengthening mentorship programs, accelerator linkages, and investor connects can address startups' non-financial support needs.</li> </ul>
Awareness and Communication	<ul style="list-style-type: none"> <li>Many startups expressed interest in improved communication on existing schemes and eligibility processes.</li> <li>Dedicated State-level startup helpdesks, regular newsletters, and proactive outreach can increase awareness and engagement.</li> </ul>
Infrastructure and Incubation Support	<ul style="list-style-type: none"> <li>Startups emphasized the importance of district-level incubators, shared workspaces, and testing facilities to strengthen local ecosystems.</li> <li>Affordable working spaces in industrial areas and enhanced digital and logistics infrastructure can improve operational efficiency.</li> <li>Encouraging sector-specific incubators and mentorship in niche areas can unlock localized innovation potential.</li> </ul>
Institutional Efficiency and Accountability	<ul style="list-style-type: none"> <li>Introducing standard response timelines and digital grievance redressal mechanisms can improve transparency and efficiency.</li> <li>Periodic third-party reviews or audits of scheme implementation can ensure continuous improvement and stakeholder confidence.</li> </ul>

The feedback analysis in the 6<sup>th</sup> edition of States Startup Ecosystem Ranking provides ground-level perspective on the functioning of India's startup ecosystem. By directly engaging with entrepreneurs across States and UTs, the exercise captured both the effectiveness and the reach of policy measures, as well as areas where further strengthening is possible.

The insights reaffirm that while significant progress has been made in creating an enabling policy environment, continued efforts to enhance awareness, implementation efficiency, funding access, mentorship, and regional relevance will be key to deepening impact. The feedback thus serves not only as a metric for assessment but also as a strategic input to guide future policy refinements, ensuring that India's startup ecosystem remains inclusive, responsive, and globally competitive.

## 5.5 Private Ecosystem Mapping

### 5.5.2 Overview

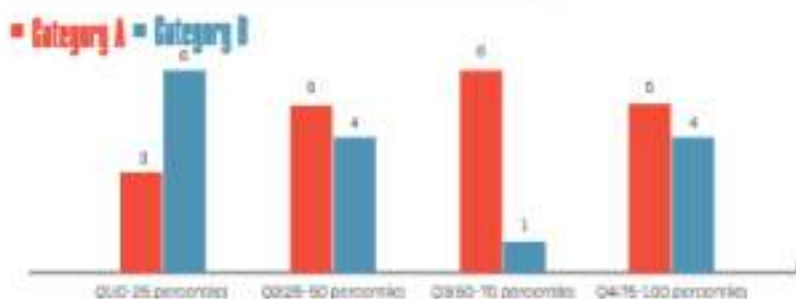
A strong private ecosystem, comprising investors, incubators, accelerators, industry bodies, and large enterprises is vital for startup growth, providing risk capital, mentorship, market access, and technical expertise that complement government support.

It closes key gaps in funding and guidance, accelerates innovation, and strengthens India's overall entrepreneurial competitiveness. Accordingly, this year's framework includes an assessment of private ecosystem availability across states. The following section provides the results and insights derived from the private ecosystem mapping.

### 5.5.3 Results

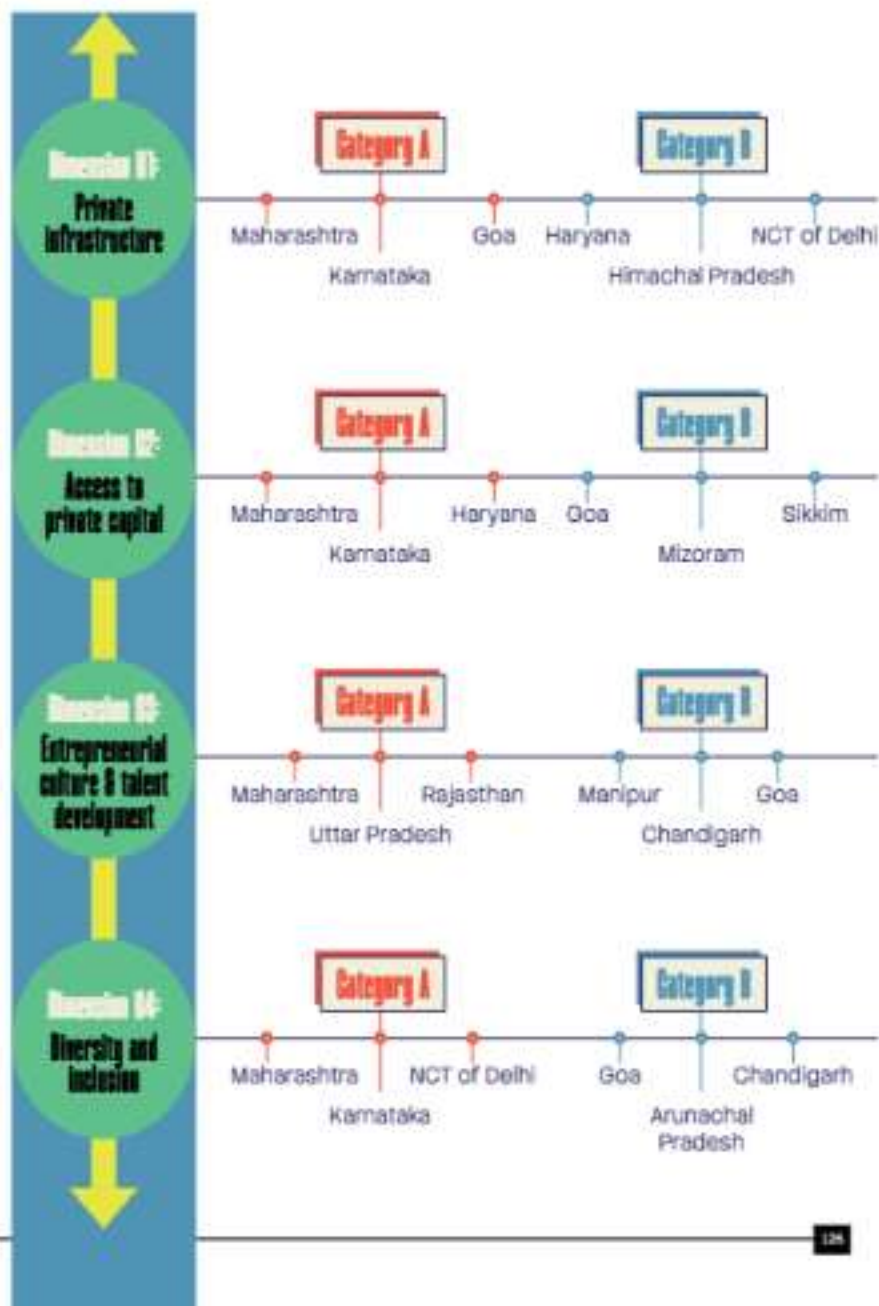
The overall scoring was carried out of 10 metrics, based on which states and UTs have been scored. The top performing states and their quartiles have been depicted in the graph below.

Figure 7B: Quartile wise distribution of states across categories



The dimension wise top performers across different categories of States / UTs have been provided below.

Figure 77. Dimension wise top performers



## Insights derived from Private Ecosystem Mapping

1. States such as **Maharashtra** have 176<sup>th</sup> private incubators which were active during the consideration period, and 646<sup>th</sup> Department of Scientific and Industrial Research (DSIR) recognized in-house R&D centres. Similarly, **Gujarat** has 43 Bureau of Indian Standards (BIS) recognized private laboratories. These two states have demonstrated private infrastructure for encouraging startups, making them leaders under the Dimension 1 - Private Infrastructure.
2. **Karnataka, Maharashtra and Haryana** led in terms of number of PEVC deals as well as value of VC deals, making them leaders in the segment of access to private capital, under Dimension 2 - Access to private capital.
3. **Maharashtra** has 17<sup>th</sup> Regional Mentors of Change (RMoC), while **Karnataka** and **Delhi** have 10<sup>th</sup> and 11<sup>th</sup> RMoC respectively. **Maharashtra** has 39 private universities in the state, while **Madhya Pradesh** and **Rajasthan** have 54 and 62 respectively. These states have emerged as leaders under Dimension 3 - Entrepreneurial Culture and Talent Development.
4. **Maharashtra** has 6,416<sup>th</sup> number of women founded startups, followed by **Karnataka** and **Delhi** with 3,992<sup>nd</sup> and 2,982<sup>nd</sup> startups respectively, and therefore have emerged as leaders under Dimension 4 - Diversity and Inclusion.

\* Tracen database as on June 2025

\*\* Tracen database as on June 2025

\*\*\* Atal Innovation Mission (AIM) for the period 2024-25

\*\*\*\* Atal Innovation Mission (AIM) for the period 2024-25

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\*\* Tracen database as on June 2025

\*\* Tracen database as on June 2025

\*\* Tracen database as on June 2025







## Impact Assessment of States' Startup Ranking Exercise

The States Startup Ranking framework has continued to evolve in line with the changing needs of today's entrepreneurial landscape. With each edition, the assessment has broadened its lens to capture the depth and quality of support offered by States and UTs. The 6<sup>th</sup> edition builds on this trajectory and places greater emphasis on digital readiness, outcome orientation, and ecosystem participation.

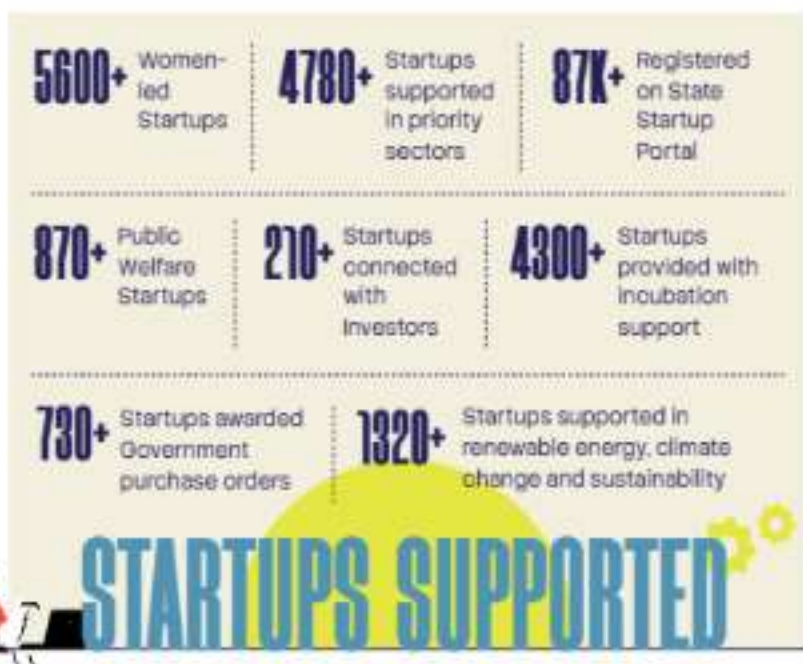
### 6.1 Key Impact Highlights

Based on submissions received for the 6<sup>th</sup> edition, there is clear evidence of increased activity across multiple components of the Startup ecosystem during the period of consideration<sup>16</sup>. Higher participation by ecosystem

analysts, a rise in support interventions, and expanded startup support collectively indicate maturing capacities at the State and UT levels. The achievement of the Startup ecosystem has been showcased by the impact figures below:

<sup>16</sup> 2<sup>nd</sup> Jan 2023 - 30<sup>th</sup> Mar 2024. Based on qualified numbers under documentary evaluation exercise of 6<sup>th</sup> edition.

Figure 19: Key Impact highlights



**75+** Sensitization Workshops

**320+** State Departments in Sensitization workshops

**1140+** Capacity development workshops for incubators

**285+** Sensitization workshops for ecosystem enablers

**930+** For student entrepreneurs with educational institutions

**530+** Market Access opportunities

## EVENT & PROGRAMS



**22+** States/UTs with special support to Women-led startups

**20+** States/UTs with funding collaboration with Banks for Startups

**22+** States/UTs floating tenders with Startup relaxations

**22+** States/UTs with special provision in IPR, Patent, etc.

**23+** States/UTs with R&D support schemes

**29+** States/UTs identified & Published Priority sectors

## POLICIES & SCHEMES



**1470+** Mentors providing  
mentorship support

**136+**

New Manufacturing  
Incubators established

**87+** Upgradation of existing  
Incubators

**MENTORS &  
INCUBATORS**



**2030+** Startups received  
State-supported  
funding

**38+**

Special collaborations  
with Banks for Startup  
funding

**₹ 1870+ Cr** Funds disbursed to  
Startups by States/  
UTs

**1360+**

Work Orders  
awarded to Startups  
by States/UTs

**FUNDING &  
PROCUREMENT**





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# The Road Ahead:

Shaping the Next Decade of India's Startup Revolution

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As India's startup ecosystem starts at an inflection point, having evolved into the world's 3rd largest with over 2 lakh recognised startups, the pathway for the next decade demands a fundamental shift from growth-at-all-costs to sustainable purpose-driven innovation. Insights from the 6th edition of the States Startup Ecosystem Ranking point to significant progress alongside persistent regional asymmetries. While states such as Gujarat, Karnataka, Kerala, and Tamil Nadu, have demonstrated strong ecosystem maturity, uneven capacity across regions underscores the need for more balanced and place-based growth strategies. Achieving global scale will require coordinated action by entrepreneurs, policymakers, investors, and ecosystem enablers, with a sharper focus on viable business models, deep-tech and knowledge-intensive innovation, and growth that extends beyond a few metropolitan hubs.

Startups are increasingly spreading across India, and this is essential for inclusive and balanced economic growth. The fact that more than 55% of recognised startups now come from Tier II and Tier III cities highlights the strong potential beyond major metropolitan areas. The Government is focused on strengthening startup ecosystems at the state and district levels through targeted measures. These include setting up incubation centres, simplifying regulations, improving digital and physical infrastructure and easing access to finance through dedicated funds and credit guarantee schemes. States and UTs are encouraged to build on their local strengths in sectors such as agriculture, manufacturing, services, and traditional industries to develop focused startup clusters that support local growth and national priorities. Special attention is being given to promoting entrepreneurship among women, and in aspirational districts, to ensure broad-based participation in the startup ecosystem.

Startups are expected to embed responsible

Looking ahead, the Government's vision is for startups to play a deeper role in advancing national development objectives and contributing to the long-term goal of **Viksit Bharat@2047**.



innovation practices by integrating environmental, social, and governance considerations, strengthening intellectual property creation and protection, and aligning with national missions in priority sectors. On the policy front, continued emphasis will be placed on reducing compliance burdens through digital platforms, expanding single-window systems, and maintaining a predictable and supportive regulatory environment. Enhanced international cooperation, stronger linkages with global innovation networks, and improved access to overseas markets will remain key to expanding the global footprint of Indian startups. Through sustained collaboration between the Centre, states, and ecosystem stakeholders, Startup India is positioned to anchor an ecosystem that is resilient, inclusive, innovation-driven and globally competitive over the next decade.

## 7.1 Role of States & UTs in propelling Startups under Viksit Bharat@2047

Viksit Bharat, meaning Developed India, is Hon'ble Prime Minister Narendra Modi's vision to transform India into a fully developed nation by 2047, marking 100 years of independence. Startups and innovation are amongst the core components to realize the vision of India's Viksit Bharat@2047, driving economic growth, job creation, technological advancement, and global competitiveness. States/UTs are emerging as innovation powerhouses, leveraging policy frameworks, funding mechanisms, and global partnerships to create a resilient, inclusive, and technology-driven economy.

Aligned with Viksit Bharat @2047, States/UTs play an important role in strengthening India's startup ecosystem and translating innovation into economic outcomes. As ecosystems mature, there is a need to move beyond implementation of initiatives toward measurable contributions to growth, employment, exports, innovation, and public service delivery.

**Over the next decade, States/UTs should have a clear mission in aligning startup efforts with long-term development priorities and positioning startups as a key driver of economic growth by 2047.**

Figure 80: Role of States/UTs for Viksit Bharat



3

## Strengthen startups presence in exports and GVCs



Support startups in accessing domestic and international markets and participation in international events to increase their share in States/UT exports.

6

## Promote Inclusive and Diverse Entrepreneurship



Increase participation of women, rural, and first-generation entrepreneurs through targeted support and access to finance and mentoring.

4

## Promote innovation and IPR commercialisation



States/UTs should strengthen IP facilitation and industry collaboration to improve quality and market use of innovations.

5

## Institutionalize Government procurement from Startups



Integrate startup procurement into regular States/UT procurement systems with clear targets and timely payments.



## 7.2 Policy Pathways for the Future

India's next phase of startup growth hinges on adaptive, forward-looking policies that prioritize deep-tech innovation, Ease of Doing Business, and equitable access to capital. Expanding funding through co-investment models and credit guarantees, coupled with streamlined regulatory frameworks, will create a fertile environment for entrepreneurship. The role of State/UT governments will be pivotal in transforming the startup landscape of India in the next decade, by emphasizing on Beyond Tier-1 cities and sector-specific incentives, among others.

Based on the performance of States/UTs in the 6<sup>th</sup> edition of States' Startup Ecosystem Ranking, it is observed that States/UTs have taken several important steps to strengthen the startup ecosystem across the country. Many States/UTs have put in place policies, institutions, and support mechanisms that have contributed to the growth of startups and entrepreneurial activity. At the same time, the assessment also indicates that further efforts are required to deepen impact, improve outcomes, and address regional and sectoral gaps. To realise India's vision of becoming the Startup Capital of the world under Vision Bharat @2047, the next phase will need focused and sustained action.

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### 1 Shift from Initiative-led to Outcome-led startup policy

States/UTs should move beyond counting schemes, incubators, and events toward tracking outcomes such as startup survival, revenue growth, employment generation, follow-on funding, and procurement value. Existing initiatives should be periodically reviewed and rationalized to reduce overlap, with underperforming programs redesigned or merged rather than expanded. This approach will improve fiscal efficiency and ecosystem credibility.

### 2 Deepen early-stage and follow-on funding pathways

While most States/UTs already offer seed funding, gaps persist at the pre-seed and post-seed stages. States/UTs should recalibrate funding programs to ensure continuity from ideation to early scale, using co-investment models with angel networks, venture funds, and GDB-linked platforms. Priority should be given to patient capital instruments, revenue-linked grants, and sector-specific funds aligned with State/UT strengths.

### 3 Strengthen district-level startup enablement

Building on existing district innovation hubs and incubators, States/UTs should standardize minimum service offerings such as mentoring, legal support, and market access assistance at the district level. Digital delivery of these services can ensure scale, while physical infrastructure can be focused on high-potential districts. This will help translate State/UT-level policy intent into grassroots entrepreneurial activity.

### 4 Institutionalize Government procurement from startups

Several States/UTs have piloted startup procurement initiatives, but these need systematization. States/UTs should embed startup procurement targets within departmental budgets, standardize tender relations, and track procurement outcomes through transparent dashboards. Emphasis should be placed on repeat orders and timely payments, ensuring procurement serves as a sustainable market access channel.

### 6 Build sector-focused startup clusters

Rather than expanding across multiple sectors, States/UTs should deepen existing focus areas by developing integrated clusters that combine startups, anchor firms, research institutions, and skilling programs. Sector strategies should be periodically updated based on market signals and technology trends, allowing States/UTs to remain adaptive while building long-term comparative advantage.

### 6 Upgrade incubators from infrastructure Providers to Scale-Up Enablers

Many incubators across States/UTs are operational, but performance varies significantly. States/UTs should introduce differentiated expectations based on incubator maturity with advanced incubators focusing on scale-ups, investor readiness, and global market access. Performance-linked support tied to startup outcomes will strengthen accountability and effectiveness.

### 7 Strengthen University-driven entrepreneurship and research commercialisation

Many incubators across States/UTs are operational, but performance varies significantly. States/UTs should introduce differentiated expectations based on incubator maturity, with advanced incubators focusing on scale-ups, investor readiness, and global market access. Performance-linked support tied to startup outcomes will strengthen accountability and effectiveness.

### 8 Build a skilled and inclusive entrepreneurial talent pipeline

States/UTs should integrate entrepreneurship education and innovation exposure into existing school and higher-education frameworks, allowing flexibility for regional adaptation. Inclusion-focused programs for women, rural, and first-generation entrepreneurs should be scaled through blended models combining digital learning, mentorship, and local networks. Participation and outcome metrics should guide program refinement.

## 9 Enable global readiness and export orientation

While global engagement is largely driven at the national level, States/UTs can support startups by focusing on export preparedness, regulatory awareness, including understanding of Technical Barriers to Trade, Sanitary and Phytosanitary measures, International Standards and Quality Control Orders, and sector-specific international demand mapping. More mature State/UT ecosystems can pilot soft-landing partnerships and international incubation tie-ups, while others can focus on strengthening domestic and regional market access.

## 10 Simplify and digitize startup-facing Government interfaces

Most States/UTs have portals and startup policies, but fragmentation remains. States/UTs should progressively integrate legislation, incentives, reporting, and grievance redressal into unified digital systems. Clear timelines, simplified documentation, and transparent communication will reduce compliance burden and improve founder confidence.

## 11 Strengthen public-private partnerships for ecosystem delivery

States/UTs should systematically map private-sector enablers such as accelerators, angel networks, venture funds, industry bodies, and academic institutions. Structured collaboration frameworks can reduce fiscal pressure while improving program quality. Partnerships should focus on mentoring, market access, and technology commercialization rather than standalone events.

## 12 Promote deep-tech and sustainability-led innovation

States/UTs with stronger research and industrial bases should prioritize deep-tech domains such as AI, advanced manufacturing, biotechnology, and climate solutions. Other States/UTs can focus on application-driven innovation and technology adoption. Aligning startup priorities with sustainability and ESG objectives will strengthen long-term relevance under Vision Bharat @2047.



### 13 Improve data quality, reporting, and transparency

Reliable data is essential for effective ecosystem governance. States/UTs should standardize reporting formats across departments and ecosystem partners, minimize manual data collection, and introduce incentives for timely and accurate submission. Improved data quality will support evidence-based policymaking and ecosystem benchmarking.

### 14 Build institutional capacity within State/UT departments

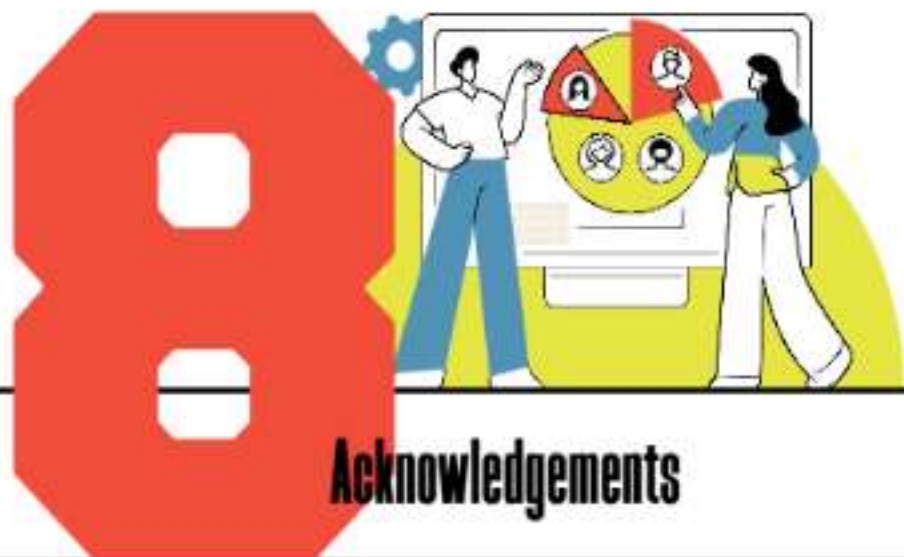
Dedicated startup cells within States/UTs should be strengthened with domain expertise, continuity of staffing, and exposure to best practices. Regular training, peer learning across States/UTs, and knowledge-sharing platforms will improve policy execution and reduce implementation gaps.

### 15 Adopt adaptive policy frameworks linked to ecosystem maturity

States/UTs should recognize varying levels of ecosystem maturity and embed flexibility into startup policies. Built-in review cycles, sunset clauses, and performance-based recalibration will allow States/UTs to respond to market dynamics while maintaining long-term alignment with the *Viksit Bharat@2047* vision.



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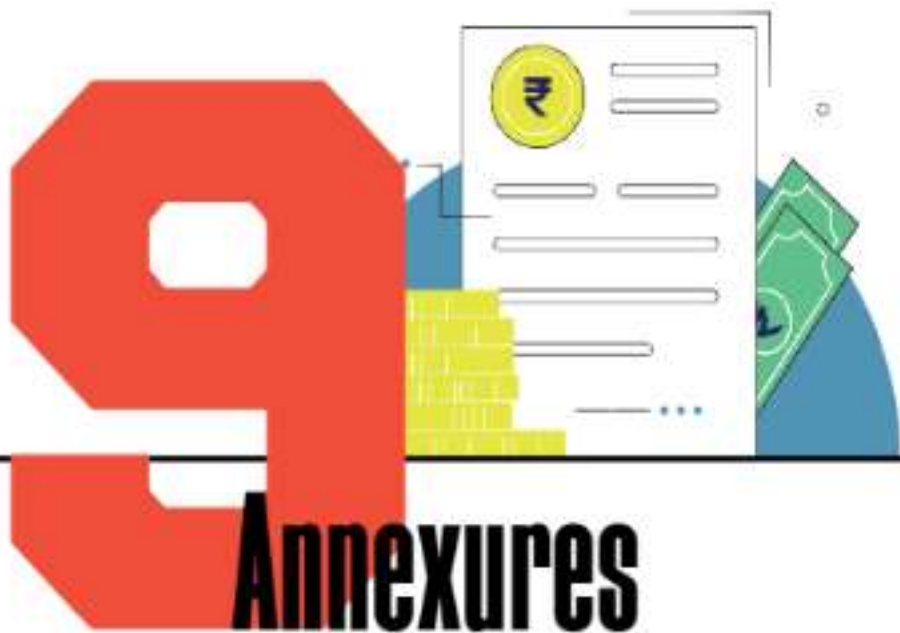
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# Sneakpeek into State Nodal Departments

Figure 8L. State Nodal Department







# Annexures

## 9.1 Key Regulatory Reforms

63 key regulatory reforms undertaken for startup ecosystem are as under:

### A Reserve Bank of India

1. Startup enterprises permitted to access loans under External Commercial Borrowing Framework up to USD 3 million. (October 2016)
2. A Securities and Exchange Board of India (SEBI) registered Foreign Venture Capital Investor (FVCI) may contribute up to 100% of the capital of an Indian company engaged in any activity mentioned in Schedule 6 of Notification No. FEMA 20/2000, including startups irrespective of the sector in which it is engaged, under the automatic route. (August 2017)
3. An Indian startup having an overseas subsidiary, may open a foreign currency account with a bank outside India for the purpose of crediting to it foreign exchange earnings out of exports/sales made by

the sold entity and/ or the receivables arising out of exports/ sales, of its overseas subsidiary. (June 2016)

4. SOFTEX form filed by software exporters moved online. (February 2019)
5. Under FDI Policy, tenure of Startup has been aligned with DPIIT Notification dated 19th February 2019 for the purpose of definition of convertible notes. (March 2022)
6. RBI has rationalized the reporting process in Single Master Form (SMF) on FIMS Portal for Foreign Investment in India. (January 2022)

## **a** Securities and Exchange Board of India (SEBI)

7. Lock in period for investments made by an Angel Fund reduced to 1 year from 2 years as amended by the SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)
8. Angel Funds are allowed to invest in overseas venture capital undertakings upto 26% of their investible corpus in line with other AIFs as provided by the SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)
9. The upper limit for number of angel investors in a scheme is increased from forty-nine to two hundred as amended by SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)
10. The requirements of minimum investment amount by an Angel Fund in any venture capital undertaking is reduced from fifty lakhs to twenty-five lakhs as amended by SEBI (Alternative Investment Funds) (Amendment) Regulations, 2016. (January 2017)

11. "Operating Guidelines for Alternative Investment Funds in International Financial Services Centres" issued by SEBI. (November 2018)

12. Under AIF Regulations, definition of Startup has been aligned with DPIIT Notification dated 19th February 2019 for the purpose of investment by Angel Funds in Startups. (May 2021)
13. The SEBI (Alternative Investment Fund) (Second Amendment) Regulations, 2021 remove the list of restricted activities or sectors from the definition of Venture Capital undertaking i.e. Category 1 AIFs can now invest in NBFCs. (May 2021)

## **c** Ministry of Corporate Affairs

14. The financial statement, with respect to private company if such private company is a Startup may not include the cash flow statement. (June 2017)
15. A private company, which is considered a Startup is allowed to accept deposits from members without any restriction on the amount. (September 2017)
16. Startup defined for the purpose of Companies Act, 2013: As per the definition, a Startup company means a private company incorporated under the Companies Act, 2013 and recognized as a "Startup" in accordance with the notification issued by the Department for Promotion of Industry and Internal Trade. (June 2017)
17. Exemption from procedural compliance e.g. such as issue of an offer circular or creation of a deposit repayment reserve for raising deposits from shareholders. (June 2017)

18. In relation to a private company (if such private company is a startup), the annual return shall be signed by the Company Secretary, or where there is no Company Secretary, by the Director of the company. (June 2017)
19. A private company (if such private company is a startup) is required to conduct at least one meeting of the Board of Directors in each half of a calendar year and the gap between the two meetings is not less than ninety days. (June 2017)
20. Name Reservation for Company Incorporation Rule 8, Companies (Incorporation) Rules, 2014 substituted with Companies (Incorporation) 5<sup>th</sup> Amendment Rules, 2019, which provides for new regulations on resemblance with an existing company name, new categories of undesirable names of a company and list of words which can be used only after obtaining approval. (May 2019)
21. Amendment in Companies (Share Capital and Debentures) Rules, 2014. The Ministry of Corporate Affairs issued a notification on 16<sup>th</sup> August, 2019 increasing the period in which ESOPs could be granted to promoters and directors (holding more than 10% equity) of Startups, from 6 years to 10 years from the date of incorporation and thereby aligned the provisions of the Companies (Share Capital and Debentures) Rules with the provisions referred to in the CPIT notification dated 19<sup>th</sup> Feb 2019.
- The notification also enhanced the limit on shares with Differential Voting Rights in the Company from 25% of the total post-issue paid up equity capital of the Company to 74% of the total voting power. Further, the condition for the company to have a consistent track record of distributable profits for the last three years for issue of DVR shares has been removed. (August 2019)
22. Corporate Social Responsibility Funds in reference to section 135 of the Companies Act 2013, Schedule VII has been amended to include Contribution to Incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs). (October 2019)
23. As part of Government of India's Ease of Doing Business (EoDB) initiatives, the Ministry of Corporate Affairs has launched a new Integrated Web Form christened 'SPICe+' replacing the existing SPICe form. SPICe+ would offer 10 services by 3 Central Govt Ministries & Departments (Ministry of Corporate Affairs, Ministry of Labour & Department of Revenue in the Ministry of Finance) and One State Government (Maharashtra, thereby saving as many procedures, time and cost for Starting a Business in India and would be applicable for all new company incorporations w.e.f. 22<sup>nd</sup> February 2020. SPICe+ has two parts: Part A-for Name reservation for new companies and Part B offering a bouquet of services viz. (i) incorporation (ii) Dft

allotment (ii) Mandatory issue of PAN (iv) Mandatory issue of TAN (v) Mandatory issue of EPFO registration (vi) Mandatory issue of ESIC registration (vii) Mandatory issue of Profession tax registration (Maharashtra) (viii) Mandatory Opening of Bank Account for the Company and (ix) Allotment of GSTIN (if so applied for). (February 2020)

24. Amendment in Companies (Share Capital and Debentures) Rules, 2014. The Ministry of Corporate Affairs issued a notification on 06<sup>th</sup> June, 2020 increasing the period in which Sweat Equity shares, from 5 years to 10 years from the date of incorporation and thereby aligned the provisions of the Companies (Share Capital and Debentures) Rules with the provisions referred to in the DPAT notification dated 18<sup>th</sup> Feb, 2018. (June 2020)
25. Amendment in Companies (Acceptance of Deposits) Rules, 2014. The Ministry of Corporate Affairs issued a notification on 07<sup>th</sup> September 2020 increasing the period of issuance of convertible note, from 5 years to 10 years from the date of issue and thereby aligned the provisions of the Companies (Acceptance of Deposits) Rules, 2014 with the provisions referred to in the DPAT notification dated 18<sup>th</sup> Feb, 2018. (September 2020)
26. Amendment in Companies (Acceptance of Deposits) Rules, 2014. The Ministry of Corporate Affairs issued a notification on 07<sup>th</sup> September 2020 whereby the maximum limit in respect of deposits to be accepted from members by a private company shall not apply to a Startup company for 10 years from the date of its incorporation, instead of 5 years. (September 2020)
27. Incorporation of One Person Companies (OPCs) by allowing OPCs to grow without any

restrictions on paid up capital and turnover, allowing their conversion into any other type of company at any time, reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days and also allow Non-Resident Indians (NRIs) to incorporate OPCs in India. (February 2021)

28. Amendment in Insolvency and Bankruptcy Code, 2016. The Ministry of Corporate Affairs issued a notification on 30<sup>th</sup> August 2022 harmonizing the definition of startup with the DPAT notification dated 18<sup>th</sup> February 2018. (August 2022)
29. Amendments were introduced to Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2024 to fast-track the approval process for the merger of a startup incorporated outside India into its wholly owned Indian subsidiary. The foreign holding company and its wholly owned Indian subsidiary will only need to obtain approval from the Reserve Bank of India (RBI) for such mergers or amalgamations, eliminating the need for clearance from the National Company Law Tribunal (NCLT) (September 2024).

## **D Ministry of Finance**

### **Department of Revenue**

30. In the case of a domestic company, where its total turnover or (the gross receipt in the previous year does not exceed two hundred and fifty crore rupees, income tax shall be charged at the rate of 25 percent of the total income. (February 2018)
31. Definition of eligible business as stated in Section 80-IAC aligned with Startups definition (April 2018)
32. Introduction of Section 64EE in the Income Tax Act, 1961. Exemption from tax on long-

- term capital gain if such long-term capital gain is invested in a fund notified by Central Government. The maximum amount that can be invested is Rs 50 lakh. (May 2018)
33. Amendment in Section 54G8 of Income Tax Act. Exemption from tax on capital gains arising out of sale of residential house or a residential plot of land if the amount of net consideration is invested in prescribed stake of equity shares of eligible Startup for utilizing the same for purchase of specified asset. (February 2018)
34. Minimum Alternate Tax credit allowed to be carried forward up to fifteenth assessment years instead of ten assessment years. (March 2017)
35. Exemption under section 80-IAC of Income Tax Act. Exemption to eligible Startup for any 3 consecutive assessment years out of 7 years (earlier 5 years) beginning from the year in which such eligible Startup is incorporated. (April 2018)
36. Exemption from tax under the provisions of section 56(2)(viii) to Startups for issue of shares above fair market value on the basis of a self-declaration to the Central Board of Direct Taxes. The aggregate amount of paid-up share capital and share premium of the startup after issue or proposed issue should not exceed INR 25 Crore. (February 2019)
37. Issuance of convertible notes: Period for which a bond, debenture, debenture-stock or deposit certificate was held prior to conversion shall be considered for determining the period of holding of such shares or debentures acquired upon conversion. (March 2018)
38. Amendment in Section 54G9 of Income Tax Act w.e.f 1st April 2020. (August 2019)
- The condition of minimum holding of 60% of share capital or voting rights in the Startup relaxed to 25%
  - Extension of period under which benefit under section 54G8 from for sale of residential property can be availed up to 31st March 2021
  - Condition restricting transfer of new asset being computer or computer software is to relaxed from 5 years to 3 years w.e.f. 1-4-2020
39. Amendment in Section 79 of Income Tax Act (August 2019). Eligible Startups to carry forward their losses on satisfaction of any one of the two conditions:
- Continuity of 51% shareholding/voting power
  - or
  - Continuity of 100% of original shareholders carrying voting power
40. Pass-through of (losses allowed to Investment Funds i.e. Category I and II AIF similar to pass-through of income. These amendments will take effect from the 1st April 2020 and will, accordingly, apply in relation to the assessment year 2020-21 and subsequent assessment years. (August 2019)
41. The investment made by Venture Capital Fund of Category-I AIF in a startup was exempted from the applicability of the provisions of section 56(2)(viii) of the IT Act. This exemption has been extended to all sub-categories of Category-I AIF and Category-II AIF via introduction of "specified funds" in the said section. (August 2019)
42. The Finance Act 2020 provides for amendment in section 80-IAC of the Income-tax Act relating to special provision in respect of specified business. The provisions of section 80-IAC, inter alia

provide for a deduction of an amount equal to hundred per cent. of the profits and gains derived from an eligible business by an eligible Startup for three consecutive assessment years out of ten years *vis-à-vis* the earlier norm of seven years at the option of the assessee and the total turnover of its business does not exceed hundred crore rupees in the previous year relevant to the assessment year for which deduction under this section is claimed. This amendment will take effect from 1st April 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years. (February 2020).

43. The Finance Act 2020 provides for amendment in section 80-IAC of the Income-tax Act relating to special provision in respect of specified business. The provisions of section 80-IAC, *inter alia*, provide for a deduction of an amount equal to hundred per cent. of the profits and gains derived from an eligible business by an eligible Startup for three consecutive assessment years out of ten years at the option of the assessee and the total turnover of its business does not exceed hundred crore rupees *vis-à-vis* the earlier norm of twenty-five crore rupees in the previous year relevant to the assessment year for which deduction under this section is claimed. This amendment will take effect from 1st April, 2021 and will, accordingly, apply in relation to the assessment year 2021-2022 and subsequent assessment years. (February 2020)
44. The Finance Act 2020 provides for amendment in sections 106, 191 and 192 of the Income tax Act laying to enable employees receiving specified security or sweat equity share as perquisite under section 17(2)(vi) of an eligible startup referred to in section 80-IAC to deduct or pay, as the case may be, tax on such income within fourteen days after the expiry of forty-eight months from the end of the relevant assessment year, or from the date of the sale of such specified security or sweat equity share by the assessee, or from the date of the assessee ceasing to be the employee of the person, whichever is earlier on the basis of rates in force of the financial year in which the said specified security or sweat equity share is allotted or transferred. This amendment will take effect from 1st April 2020. As per the earlier norms, the said perquisite including ESOPs were taxed in the hands of the employee at the time of exercise of the option. (February 2020)
45. The Finance Act 2021 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2021)
46. The Finance Act 2021 provides for extension of claiming Capital gains exemption for investment in startups by one year *i.e.*, 1st March 2022. (February 2021)
47. The Finance Act 2022 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2022)
48. The Finance Act 2022 capped the surcharge on the long-term capital gain at 10% for unlisted companies from existing 37%. The effective rate of tax has been reduced from 28.5% to 23.0%. (February 2022)
49. The Finance Act 2023 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2023)
50. The Finance Act 2023 enables startups to set off and carry forward losses for a period

of 10 years vis-à-vis 7 years under section 79 of the Income Tax Act 1961. (February 2022)

61. The Finance Act 2023 capped the surcharge on the long-term capital gain at 25% for unlisted companies from existing 37% under the new tax regime. The effective rate of tax has been reduced from 42.74% to 30.0%. (February 2023)

62. Central Board of Direct Taxes via GSR 685E dated 26<sup>th</sup> September 2023 amended Income Tax Rules, 1961 to include five additional valuation mechanisms for investments raised by non-Resident Investors. The IT Rules are now aligned with "Internationally accepted valuation methodologies". (September 2023)

63. The Finance Act 2024 provides for extension of the eligibility period to claim tax holiday for the startups by one more year. (February 2024)

64. The Finance Act (No. 2) 2024 removed Section 66 (2) (VBI) angel tax provisions from the Income Tax Act effective 1st April 2025. This removes the income tax on the issuance of shares above their fair market value, enabling startups to raise equity funding at valuations above their fair market value. (July 2024)

65. The Finance Act (No. 2) 2024 harmonized the income tax rates on the long-term capital gains (LTCG) from investments in listed and unlisted shares. The amendment in Section 112 of the Income Tax Act, lowered the LTCG tax on unlisted company shares from 20% to 12.5%. This is expected to encourage greater investment in startups. (July 2024)

66. The Finance Act 2025 provides for extension of the eligibility period to claim tax holiday

for the startups by five additional years i.e. till 1st April 2030. (February 2025)

#### Department of Economic Affairs

67. The Ministry of Finance now allows non-government provident funds, superannuation, and gratuity funds to invest up to 5 percent of their investible surplus in Category I and II Alternate Investment Funds (AIFs) registered with SEBI. (March 2021)

#### Insurance Regulatory and Development Authority

68. The Insurance Regulatory and Development Authority of India (IRDAI) has allowed insurance companies to invest in Fund-of-Funds (FoF) that invest within the country subject to certain conditions. (April 2021)

#### Department of Expenditure

69. Harmonization of Startup Definition under the Manual for Procurement of Consultancy and other Services with the DPIIT notification dated 19th February 2019. (August 2021)

#### Ministry of Labour and Employment

69. The Ministry of Labour and Employment now allows EPFO to invest up to 5 percent of their investible surplus in Category I and II Alternate Investment Funds (AIFs) registered with SEBI. (April 2021)

#### Ministry of Electronics and Information Technology

61. Removal of clause from Electronic Development Fund (EDF) operating guidelines stating that if a fund draws from Fund of Funds for Startups, then they cannot draw from EDF and vice versa. (November 2018)

**Ministry of Commerce and Industry,  
Department for Promotion of Industry and  
Internal Trade**

62. Amendment in the definition of a Startup:  
An entity shall be considered as a Startup upto a period of ten years from the date of incorporation/ registration and turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees. (February 2019)
63. Ministry of Commerce and Industry,  
Department for Promotion of Industry and  
Internal Trade vide Gazette Notification No. GSR 546(S) dated 21st September 2021 amended the Patent Rules. The Patent Rules have now extended the benefits related to 80% reduced fee for patent filing & prosecution to educational institutions as well. (September 2021)

## 9.2 Glossary of Terms

Terms	Definition
AAI	Airports Authority of India
ACICs	Atal Community Innovation Centres
AI	Artificial Intelligence
AIM	Atal Innovation Mission
ANCD	The Atal New India Challenge
ASOCND	Accelerating Startup Culture and Entrepreneurial Drive
ASEAN	Association of South East Nations
BHASKAR	Bihar Startup Knowledge Access Registry
BRAC	Biotechnology Industry Research Assistance Council
BSGC	Bihar Startup Grand Challenge
CGSS	Credit Guarantee Scheme for Startups
DCIS	The Digital Communication Innovation Square
DIT	Department of Industry and Internal Trade
DSIR	Department of Scientific and Industrial Research
DST	Department of Science and Technology
EPFO	Employee's Provident Fund Organization
ESG	Environmental, Social and Governance
ESIC	Employee's State Insurance Corporation
ESOPs	Employee Stock Ownership Plans
FEMA	Foreign Exchange Management Act
FFS	Funds of Funds for Startups
FRMS	Foreign Investment Reporting and Management System
FVCI	Foreign Venture Capital Investor
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GENESIS	Gen-Next Support for Innovative Startups
GSDP	Gross State Domestic Product
GVCs	Global Value Chain
DeX	Innovations for Defence Excellence
IoT	Internet of Things
IPR	Intellectual Property Rights
ISRO	Indian Space Research Organisation
KSUM	Kerala Startup Mission

LFP	Lithium Iron Phosphate
MAARG	Mentorship, Advisory, Assistance, Resilience and Growth
MeiTY	Ministry of Electronics and Information Technology
MSME	Ministry of Micro, Small and Medium Enterprises
NCOTC	National Credit Guarantee Trustee Company
NDHI	National Initiative for Developing and Harnessing Innovations
NFTEM	National Institute of Food Technology Entrepreneurship and Management
NMC	Nickel Manganese Cobalt
NSA	National Startup Awards
NSAC	National Startup Advisory Council
OPC	One Person Companies
PE	Private Equity
PMEDP	Prime Minister Employment Generation Program
PRABHAV	Powering a Resilient and Agile Bharat for the Advancement of Visionary Startups
PwD	Persons with Disabilities
R&D	Research and Development
RKVY	Rashtriya Krishi Vikas Yojana
RMoC	Regional Mentors of Change
SBR	The Small Business Innovation Research
SCO	Shanghai Cooperation Organisation
SEBI	Securities and Exchange Board of India
SHGs	Self Help Groups
SIDBI	Small Industries Development Bank of India
SISPE	Startup India Seed Fund Scheme
SMF	Single Master Form
SOFTEX	Software Export Declaration
SRF	States' Startup Ranking Framework
STH	Software Technology Parks of India
STR	Small Business Technology Transfer
SUI	Startup India
TDF	Technology Development Fund
TIDE	Technology Incubation and Development of Entrepreneurs
UPI	Unified Payments Interface
VC	Venture Capital

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Contact Us

[www.startupindia.gov.in](http://www.startupindia.gov.in)

1800 115 565

