

**CTIER**

# SEMINAR SERIES

February 2026



DATE

February 18th, 2026

TIME

5.00-6.00 p.m.



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## Entrepreneurial absorptive capacity in Indian startups: Evolution, performance, and regional insights

**Abstract:** This paper examines the underexplored role of entrepreneurial absorptive capacity and financial support in the evolution and performance of startups across selected Indian states and union territories (UTs) for the period 2019-2023. Entrepreneurial absorptive capacity was measured in terms of human capital, innovation, and incubation support, while financial support was measured by startup seed funding and support from commercial banks. The study employed negative binomial regression models for the non-negative count-dependent variables. Findings highlight that entrepreneurial absorptive capacity plays a critical role for startups, although its components have differing impacts. Specifically, entrepreneurship skill development and state-led efforts in R&D expenditure and education spending significantly contribute to the evolution and performance of startups. However, incubation support was largely ineffective. Interestingly, seed funding and financial aid from commercial banks exhibit weak effects, underscoring the persistent capital inadequacy issue for startups in India.