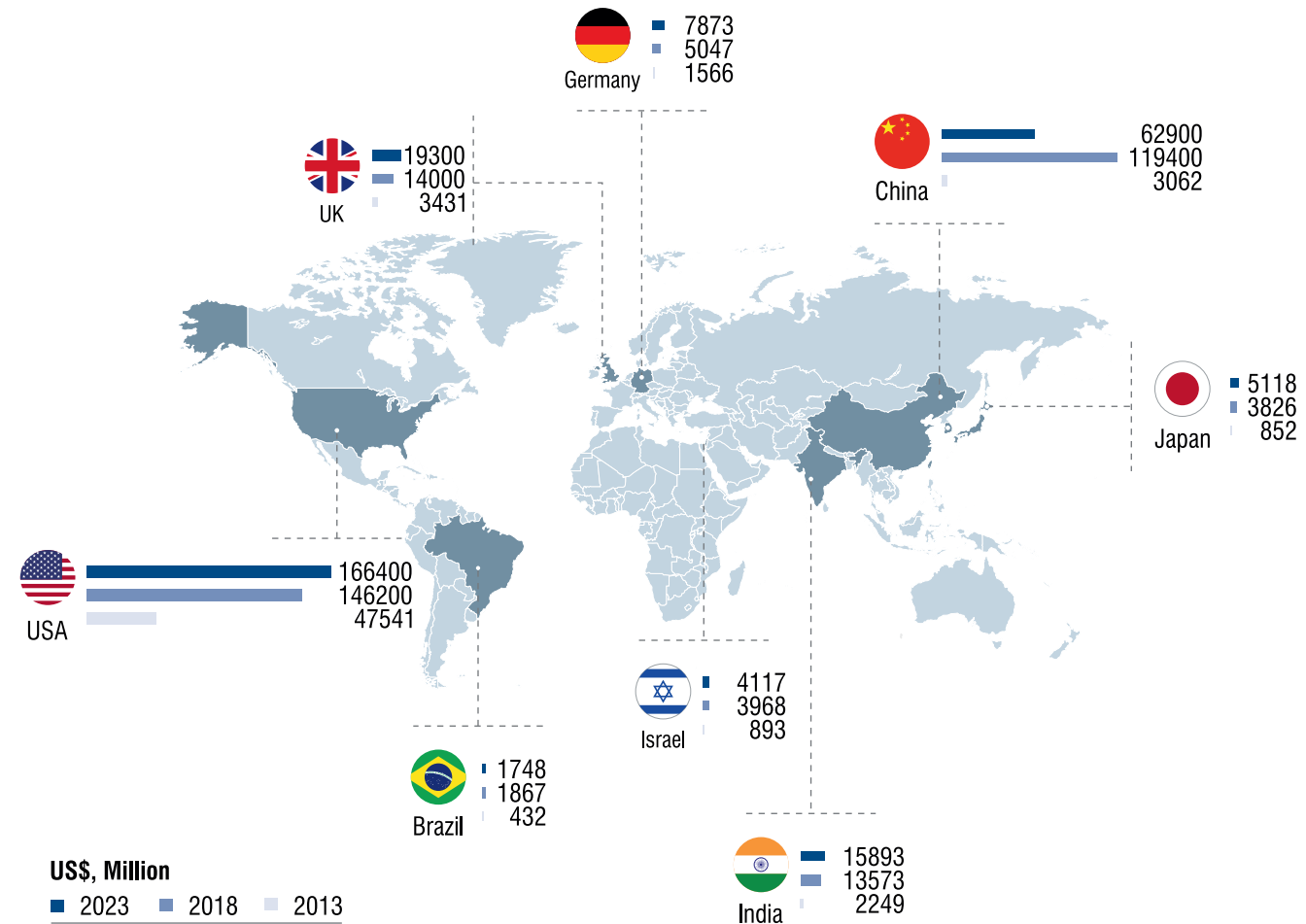


The CTIER Startups Snapshot is the first of its series intended to provide the reader data on the Indian startup ecosystem, drawing on the work presented in our biennial publication, the CTIER Handbook: Technology and Innovation in India.

This snapshot presents a set of indicators, focusing on key aspects of the Indian startup ecosystem. The indicators showcase trends around funding, incubation support, regional distribution and creation of startups in India. While the current snapshot uses data from our 2025 Handbook, we would urge the reader to glance through our earlier Handbooks to see the evolution of the ecosystem since 2016.

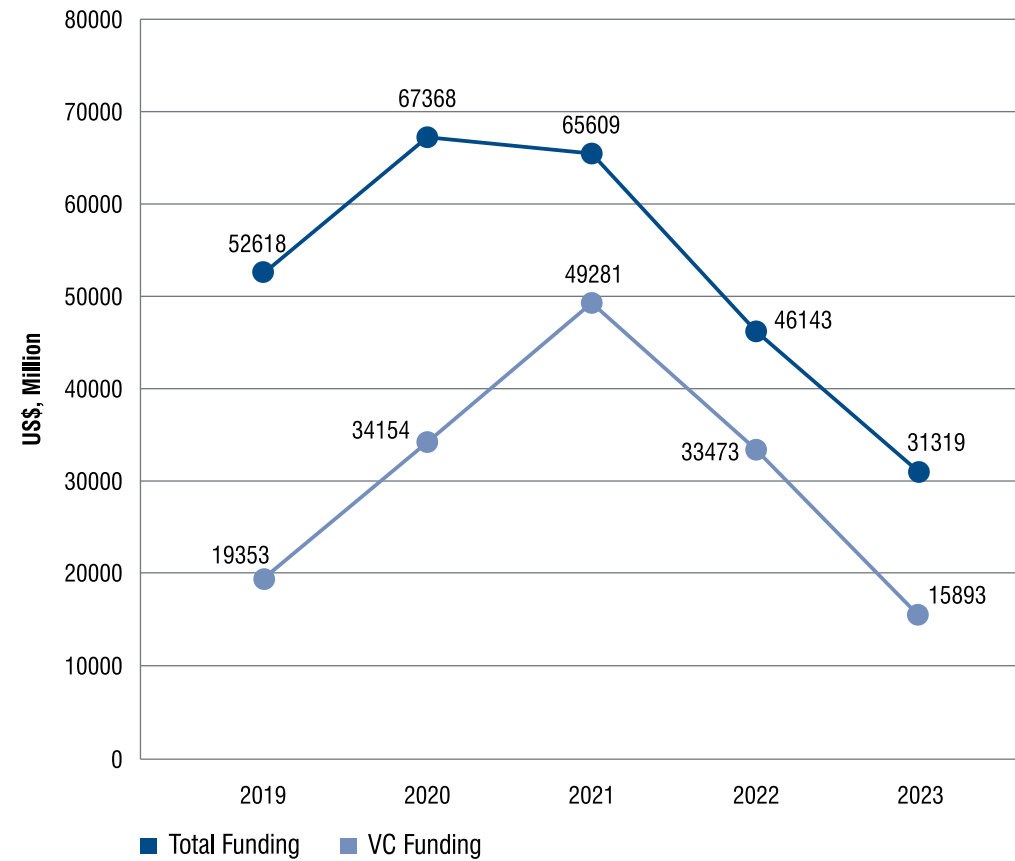
The startup ecosystem in India has seen large disruptions in recent years. In 2023, India attracted USD 15.9 billion in venture capital funding, a huge drop from the peak of USD 49.3 billion in 2021. India's startup creation has also slowed down considerably, with 12,157 new firms emerging in 2023 compared to 25,275 in 2021. This drop could have been the effect of diminished investor confidence caused by geopolitical concerns, the 2022 US Federal Reserve interest rate hikes and the proposed "Angel Tax" on foreign investors in India announced in 2023. We continue to monitor the impact of newer announcements on the Indian startup ecosystem like the expected interest rate cuts by the Federal Reserve and the operationalisation of the Research, Development and Innovation (RDI) fund in India which proposes to create a deeptech fund-of-funds.

Venture Capital Investment (USD million) in Select Countries



India was one of the top destinations for VC funding after the US, China and the UK, and saw total VC funding of around USD 15.8 billion in 2023. The US recorded VC funding of USD 166.4 billion followed by China that saw VC funding of USD 62.9 billion while the UK received USD 19.3 billion. For all countries except India we have used data from the KPMG Venture Pulse Q2 2024 report, while the data for India is from the Tracxn database. The VC data for India includes growth stage funds and funding for all companies including startups.

Total and VC funding for Companies (USD Million) in India (2019 - 2023)



Total funding in terms of Private Equity (PE), Venture Capital (VC) and debt in India was USD 31 billion in 2023. There has been a consistent decline in total funding from USD 67 billion in 2020 to USD 31 billion in 2023. In 2023, VC funding accounted for around 51 percent of total funding while conventional debt accounted for 27 percent. Private equity accounted for very little of the total funding in 2023.

Total Funding for Startups (and New Companies) by Type of Financing

Total Round Amount (US\$, Million)	2019	2020	2021	2022	2023
Angel	173	540	303	277	83
Conventional Debt	19897	10508	6314	6360	8391
Venture Debt	117	66	220	311	156
Mezzanine Debt	2	0	51	322	8
Grant (prize money)	34	16	56	32	13
PE	1895	10272	987	1907	2128
Post IPO	11148	11811	8398	3461	4648
Seed	857	904	2055	1944	1489
Series A	2030	1338	3692	4150	2542
Series B	3046	1922	3889	4558	2040
Series C	2633	2240	6211	4443	1869
Series D	4040	9261	10509	9354	4200
Series E	1381	8493	7427	2731	1601
Series F	2934	4009	6709	2523	633
Series G	411	4646	1643	359	461
Series H	250	319	995	718	0
Series I	1102	156	526	387	118
Series J	471	778	5349	845	600
Series K	0	0	0	700	46
ICO	0	4	47	109	6
Unattributed	198	83	228	653	287

Between 2019 and 2023, the largest source of funding has been conventional debt (USD 51.4 billion) followed by IPO (USD 39.5 billion). In the same time period, Series A, B, C, and D funding was USD 13.7 billion, USD 15.4 billion, USD 17.3 billion and USD 33.7 billion respectively. Conventional debt and IPO funding typically are not known to contribute to the development of new products or processes of emerging ventures given that conventional debt tends to be conservative and IPO funding is usually for scaling.¹

Source: Tracxn (various years), data downloaded on 30 September 2024 from the platform

¹Chandra, P. (2021), "New Ventures and Manufacturing: the Unfinished Agenda (CTIER Research Article 2)", Centre for Technology, Innovation and Economic Research

Sector-wise Funding for Companies in India

Sector	Total Funding Amount (US\$, Million)				
	2019	2020	2021	2022	2023
Consumer	10216	5512	21906	10551	4709
Retail	4745	12395	15485	5823	4538
FinTech	3787	2407	8381	5327	2940
Enterprise Applications	3179	2612	9211	7943	2546
Transportation and Logistics Tech	2363	864	3785	4255	2339
High Tech*	1931	1748	4652	6794	2186
Environment Tech	593	351	753	2490	2023
Auto Tech	1566	662	3171	2652	1985
Energy Tech	556	255	696	2248	1899
Food and Agriculture Tech	1438	1806	4215	3193	1183
InsurTech	397	776	914	625	862

When one considers VC funding in 2023, sectors such as consumer, retail, fintech, and enterprise applications were among the largest recipients of funding for companies. These have consistently been the top sectors since we started tracking VC funding in 2016. Compared to the top sectors in 2021, sectors such as edtech, healthtech, gig economy and media & entertainment have been replaced by high tech, environment tech, energy tech, insurtech in 2023.

Funding for Companies for Select Sectors

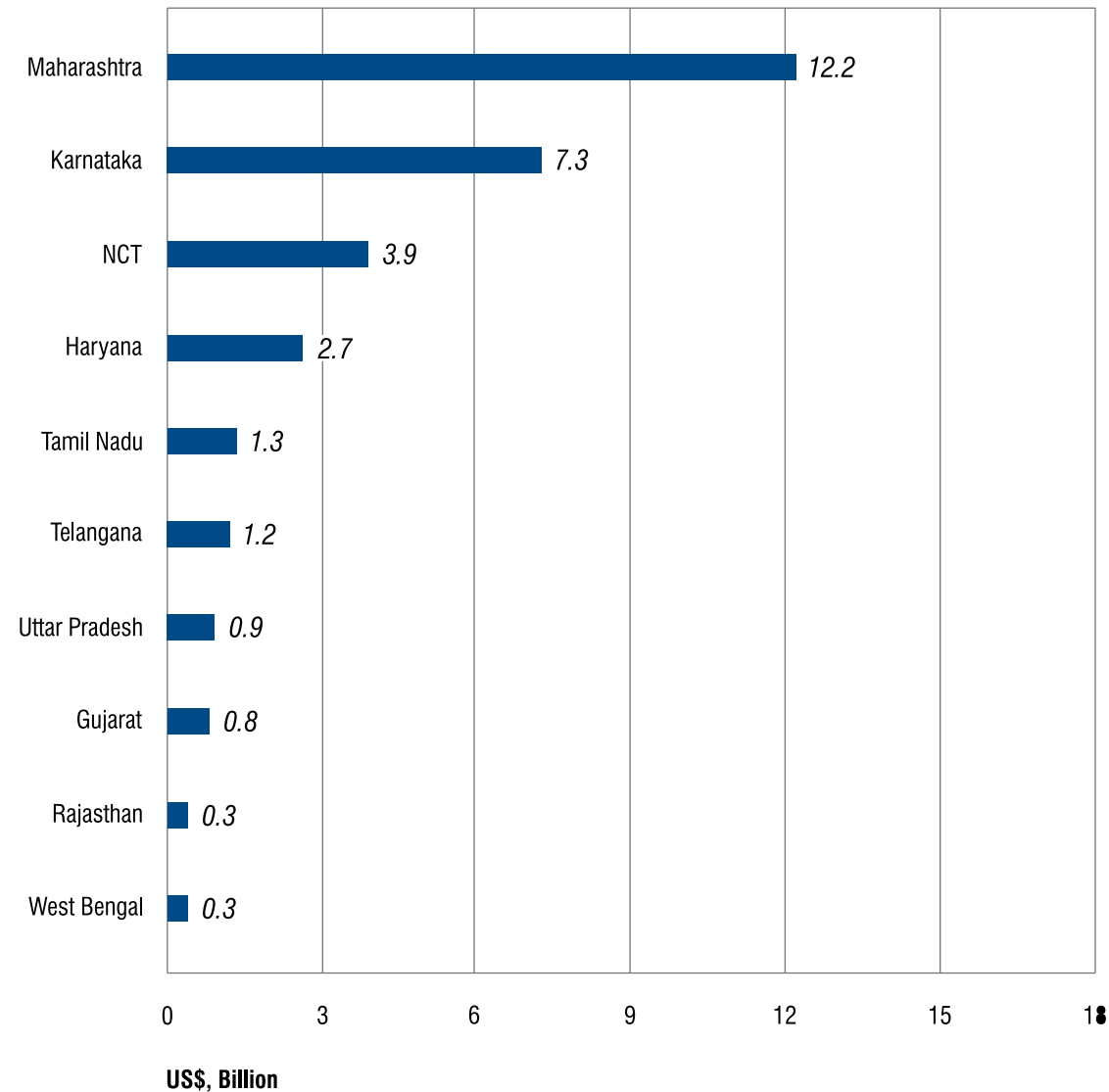
Total Funding (US\$, Million)*	2019	2020	2021	2022	2023
B2C E-Commerce	5520	2266	11370	5051	3508
Marketplaces	6451	2136	11791	3460	1901
Gig Employers	3131	1137	2728	1469	1551
Enterprise Software	2850	2026	7068	6842	1514
Online Grocery	749	861	2989	2544	1244
SaaS	1698	1880	6156	5367	1109
Alternative Lending	1226	1054	1693	2294	1106
Green Transport	501	222	651	2137	858
Electric Vehicles	501	220	645	2125	854
Deep Tech	528	482	1209	2185	703

The sub-sectors B2C e-commerce dominated the funding landscape for the consumer sector, while alternative lending dominated the fintech sector. The retail sector saw retail chains as a key recipient of funding while enterprise software and SAAS were key sub-sectors for enterprise applications. The sub-sector logistics tech is one of the major recipients under the transportation and logistics tech sector and also cuts across the consumer sector.

Regional Trends in the Startup Ecosystem

The national level indicators presented in the previous section provides a national overview of the startup ecosystem. This section provides state wise indicators to highlight and uncover regional trends in India's startup ecosystem. This state level analysis shows that Maharashtra, NCT and Karnataka continue to lead India's start-up ecosystem. These states have consistently attracted the highest level of funding, house a large share of the incubation infrastructure in India and generate the highest number of startups.

Funding for Companies in Top Indian States (2023)



Maharashtra attracted the most funding for companies amounting to USD 12.2 billion in 2023. This was followed by Karnataka that received USD 7.3 billion and National Capital Territory (NCT) that received USD 3.9 billion. Haryana followed in fourth place at USD 2.7 billion. The funding mentioned here is for all companies including startups (and new companies) and covers angel investments, conventional debt, venture debt, private equity, seed funding, and various series rounds as provided by Tracxn.

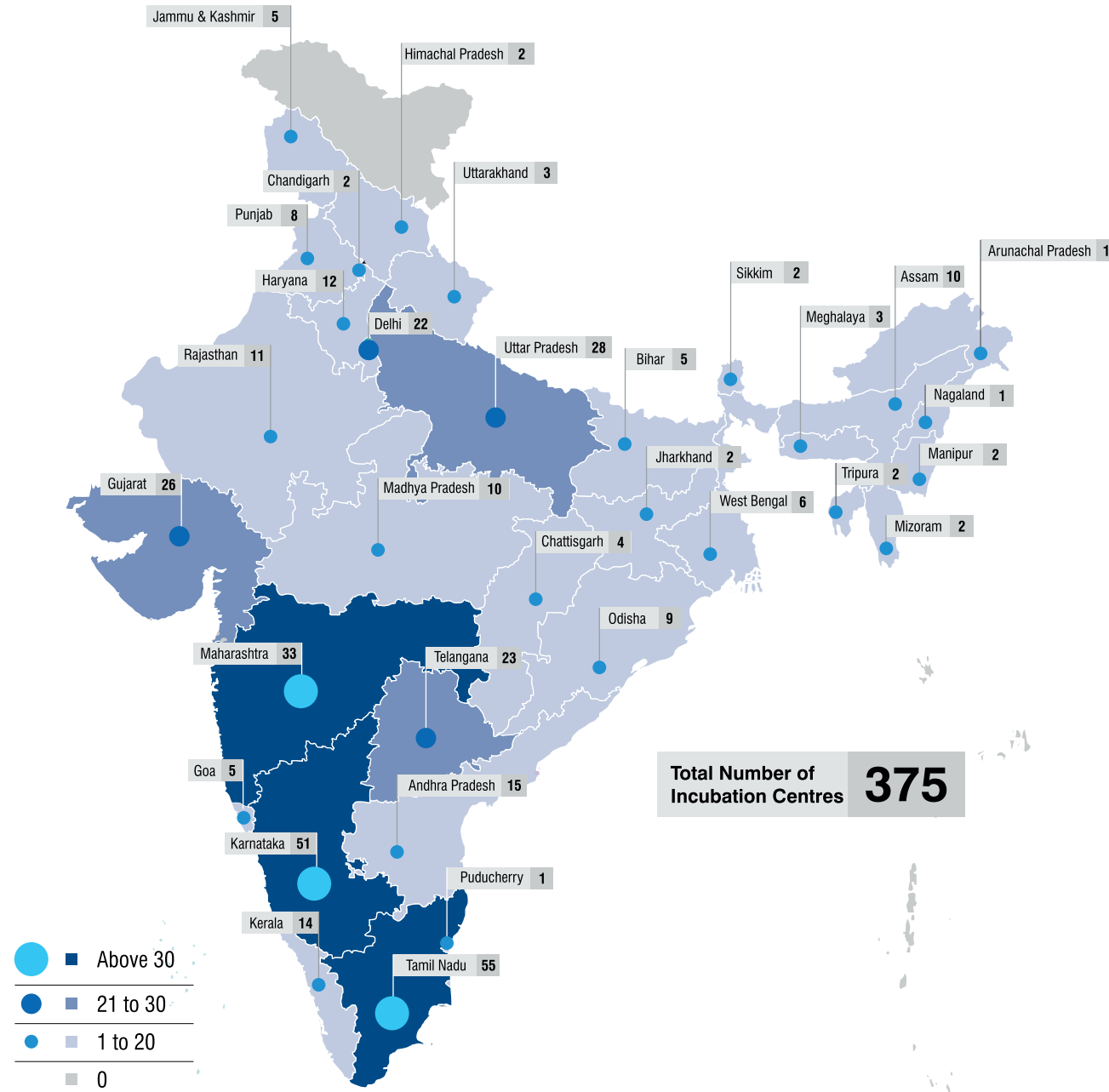
Corporate Social Responsibility Funding towards Technology Incubators and Public Research Institutions for Top Indian States

State	CSR funding towards Technology Incubators and Public Research Institutions and their share in total CSR funding										
	2018 - 19		2019 - 20		2020 - 21		2021 - 22		2022 - 23		Total 2018 - 19 to 2022 - 23
	Amount (US\$, '000)	Share in Total (%)	Amount (US\$, '000)	Share in Total (%)	Amount (US\$, '000)	Share in Total (%)	Amount (US\$, '000)	Share in Total (%)	Amount (US\$, '000)	Share in Total (%)	Amount (US\$, '000)
Maharashtra	526.3	0.1	2622	0.6	2795.4	0.6	324.8	0.05	7.5	0.001	6276
Karnataka	1486	0.8	533.1	0.3	590.1	0.3	26.8	0.01	83.4	0.03	2719.5
Tamil Nadu	672.2	0.5	866	0.6	658.8	0.4	34.9	0.02	47.3	0.02	2279.2
Delhi	193.1	0.2	306.1	0.3	343.5	0.4	324.8	0.2	0	0	1167.5
Telangana	121.6	0.2	108.6	0.2	429.7	0.5	158.4	0.2	3.7	0.003	822
Rajasthan	4.3	0.01	28.2	0.03	397.4	0.4	1.3	0.001	0	0	431.3
Gujarat	173.1	0.1	21.2	0.02	145.5	0.1	48.3	0.02	0	0	388
Uttar Pradesh	145.9	0.2	97.3	0.1	39.1	0.03	6.7	0.004	0	0	289
Kerala	95.8	0.2	5.6	0.01	47.2	0.1	0	0	0	0	148.6
Andhra Pradesh	15.7	0.02	83.2	0.1	9.4	0.01	6.7	0.01	0	0	115.1

The table above shows the top 10 states that received CSR funding towards technology incubators and public research institutions.² The states above were ranked based on the cumulative CSR funding towards technology incubators and public research institutions received by each state between 2018-19 and 2022-23. Of the ten states only four states received CSR funding in 2022-23 towards technology incubators and public research institutions. Among these four states, Karnataka received the highest amount, totaling USD 0.08 million. Delhi, Rajasthan, Gujarat, Uttar Pradesh, Kerala, and Andhra Pradesh did not receive any CSR funding towards technology incubators and public research institutions in 2022-23. This indicator captures the funding towards technology incubators, public funded laboratories and public funded higher education institutions engaged in science, technology, engineering, and medicine.

²For details of the CSR Act and the institutions that can receive CSR contributions refer to the CTIER Handbook: Technology and Innovation in India 2025

State-wise Number of Incubation Centres



We identified a total of 375 incubators, of which 311 were supported by various government entities like the Department of Science and Technology (DST), the Ministry of Electronics and Information Technology (MeitY), the Atal Innovation Mission (AIM) and the Department of Biotechnology (DBT). Tamil Nadu had the highest number of incubators (55) followed by Karnataka (51).

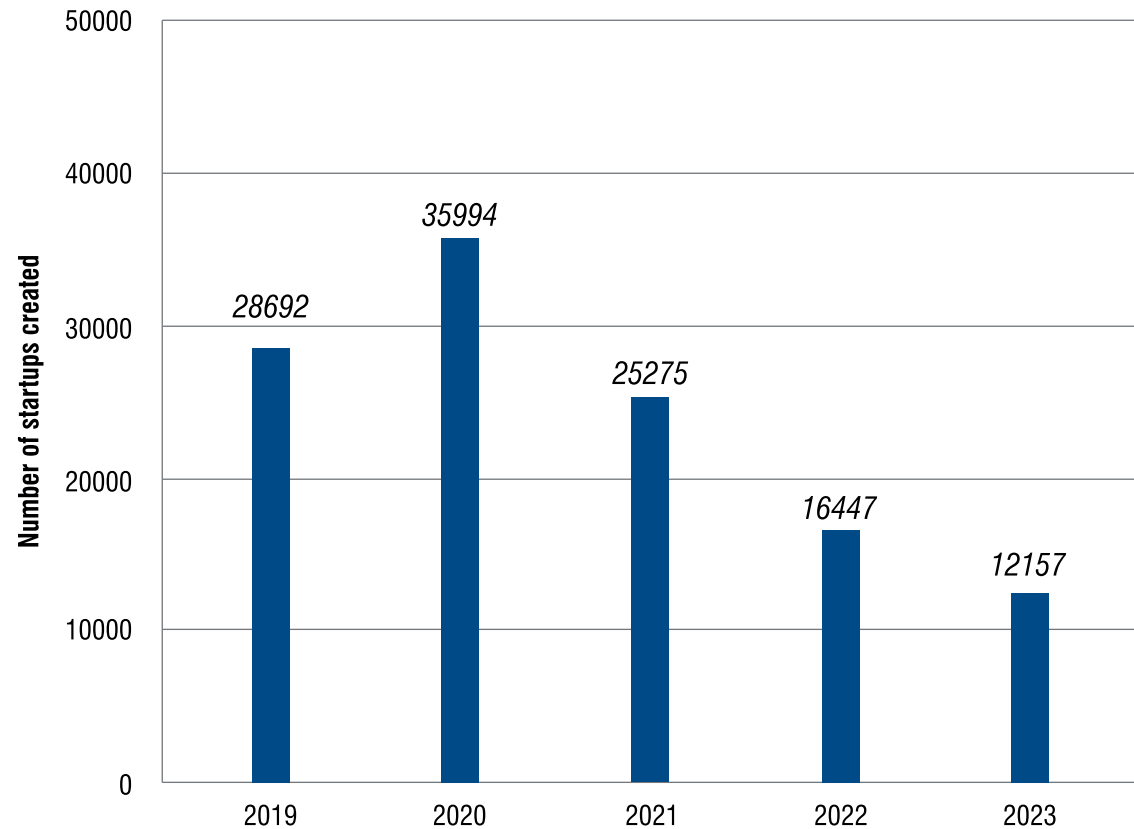
There were 235 incubators located at academic institutions. Tamil Nadu had the highest number of incubators located at academic institutions at 43, followed by Karnataka that had 23. The full list of state-wise number of incubation centres in academic institutions can be seen in the following page.

State-wise Number of Incubation Centres

State / UT	2021-22	2022-23
Andaman & Nicobar	67	63
Andhra Pradesh	3317	2981
Arunachal Pradesh	86	85
Assam	1551	1553
Bihar	5737	5031
Chandigarh	670	569
Chattisgarh	1482	1299
Dadra & Nagar Haveli	46	35
Daman and Diu	22	24
Delhi	16118	15575
Goa	452	582
Gujarat	8779	8921
Haryana	8080	7551
Himachal Pradesh	753	639
Jammu & Kashmir	1055	1013
Jharkhand	2073	1752
Karnataka	13402	12101
Kerala	6413	5755
Ladakh	3	3

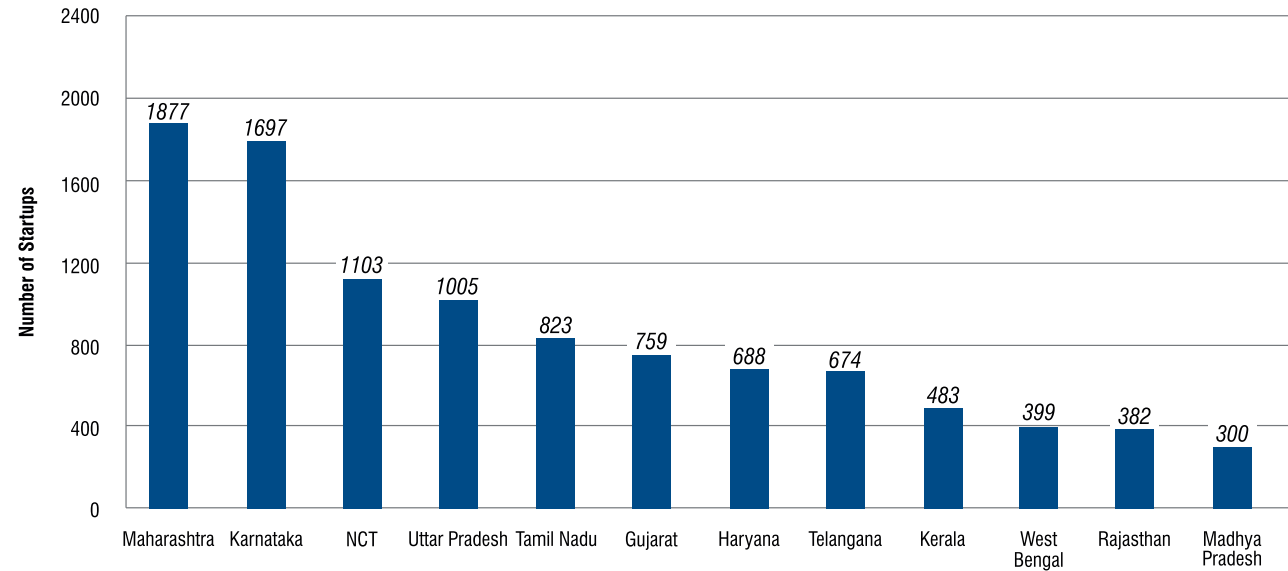
State / UT	2021-22	2022-23
Lakshadweep	27	12
Madhya Pradesh	4541	4753
Maharashtra	31009	29085
Manipur	236	233
Meghalaya	68	79
Mizoram	69	46
Nagaland	70	69
Orissa	3226	2816
Pondicherry	133	186
Punjab	2356	2418
Rajasthan	6132	6018
Sikkim	-	-
Tamil Nadu	11056	10565
Telangana	10874	10229
Tripura	178	113
Uttar Pradesh	16996	17297
Uttarakhand	1487	1555
West Bengal	8315	7968

Number of Startups Created in India (2019-2023)



The startups (and new companies) created in India have witnessed a steady decline from 2020 to 2023. The number of startups dropped from 35,994 in 2020 to 12,157 in 2023. The reported startup data (as of September 2024) is subject to change as the database may get updated when new startups founded in a particular year are identified. For instance, the number of startups (and new companies) including offline startups previously reported were 18,252 and 22,579 in 2019 and 2020 respectively, compared to 28,692 and 35,994 in 2019 and 2020 as seen in the chart above. The numbers may also vary depending on the source of the data on startups. Entities that conform to the definition of a startup and have been recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) can be found on the Startup India website.

State-wise distribution of Startups (and New Companies) (2023)



In 2023, Maharashtra saw 1,877 startups (and new companies) being established, followed by Karnataka that saw 1,697 startups (and new companies). The National Capital Territory (NCT) came in third with 1,103 startups, while Uttar Pradesh was fourth with 1,005 startups.

About CTIER

The Centre for Technology, Innovation and Economic Research (CTIER) was established in December 2015 to raise the level of debate and awareness amongst policy makers, industry and researchers in India about the essential role of technical capability in economic development, and how it is best fostered. We aim to inform policy making on the back of high quality empirical economic research, as well as impact higher education in India.

CTIER's work is contributing to systemic change in India's R&D and innovation ecosystem. We are a trusted source of data for all those shaping India's innovation and technological trajectory.

We have built strong linkages with industry and the academic community. Our unique analysis and insights are informing policies introduced to strengthen India's R&D and innovation ecosystem.

Our programmatic interventions are helping build capabilities needed to transform Indian industry into an innovation powerhouse. CTIER has also been at the forefront of shaping academic thought in economics of innovation.

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