

An Assessment of the Rollout of the Startup Initiative in India — Evaluating Startups, Jobs, and How Funding Has Been Used

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ABSTRACT:

Launched on 16 Jan, 2016 by prime minister Narendra Modi, Startup India is a flagship initiative of the Government of India aimed at fostering entrepreneurship in the country. The startup initiative is a critical factor in promoting creativity, supporting women entrepreneurs, disadvantaged communities and rural businesses while also creating jobs, boosting inclusive growth, enabling easier access to business and enhancing India's global competitiveness. By 2025, India will boast the 3rd largest startup ecosystem globally after US and China. According to Startup Ecosystem in India — 2025, Maharashtra, Karnataka, Delhi & Uttar Pradesh occupy the top rank among States/UTs. This is a descriptive and analytical study based on secondary data. The application involves two individual studies – the first study is to analyse the State/UT-wise Startup Growth Countries, Employment Generated through Startup India initiative and the second study is to assess Status of State/UT-wise funds allocated & funds utilized under the Startup India Seed Fund Scheme and Fund of Funds Scheme. In assimilation to achieve the aims of the study, necessary data were collected from secondary sources. Data analysis and results finding are performed using the various Statistical method like ANOVA, Compound Annual Growth Rate and Percentage Method. According to the study, on an overall front startups in India increased from 10,604 (2019) to 34,779 (2023) at a compound annual growth rate of 33.7 per cent and total employment increased from 1,23,071 (2019) to 3,90,512 (2023) at a compound annual growth rate of 32.5 per cent. Maharashtra (5,801), topped the states in startup registrations followed by Uttar Pradesh, Gujarat, Karnataka and Tamil Nadu. Delhi (7th overall) stood top among UT's. Although Maharashtra topped the recipient charts by number of investments under both the Seed Fund Scheme and the Fund of Funds, they had low utilisation efficiency (37.76 per cent and

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34.20 per cent). The report finds that, while India's startup landscape is absolutely booming, growth and deployment of funds across states and UTs remains uneven. According to the study, building stronger ecosystems, efficient fund allocation and supporting new states proactively is necessary if there is to be equal growth in startups across the country.

Keywords: Startup, Fundalloited, Fundutlised, Entrepreneurship, States, UTS.

I. Introduction

Startups, Startup India — a flagship initiative of the Government of India launched by Prime Minister Narendra Modi on 16 January 2016 as an effort to promote entrepreneurship. Its startup initiative is a large contributor to enhancing innovation, empowering women entrepreneurs and other marginalized groups, encouraging rural entrepreneurship, creating jobs, ensuring inclusive development, improving the access to businesses as well as helping India compete better globally. Any Indian citizen or registered entity with an innovative, scalable business of age not exceeding ten years and a turnover first under the Startup India Initiative 429 crores and the rest of the entrepreneurs were eligible for entrepreneurship in rupees. Startup India provides equity support via the Fund of Funds scheme, enables easy bank loans through Credit Guarantee Fund and encourages venture capital / angel investments through co-investment and tax incentives. Seed rounds and R&D grants support early product development and steered creativity; or for organised growth you can get incubator funding (especially attractive by providing mentorship, lab-space, city in-crowd — contacts). Small Industries Development Bank of India, Department for Promotion of Industry and Internal Trade, Technology Development Board, Biotechnology Industry Research Assistance Council, Ministry National Institute of Science and Technology, Council of Scientific & Industrial Research, Defence Research and Development Organisation (DRDO) scientists and private investors These span everything from seed funding to scaling.

Tax Benefits : Startups recognised by the DPIIT can avail various tax benefits under the

Startup India Initiative. Within the first ten years after establishment, they enjoy 100% income tax exemption on profits for three consecutive years. Investors backing these firms receive capital gains tax exemptions provided earnings are reinvested, and also startups pay no tax on premiums received in excess of their shares' face value. Moreover, recognised startups are also relieved of Dividend Distribution Tax and may be entitled to waiver on GST and customs tax for eligible R&D expenditure incurred and equipment imported/ purchased from the income taxes. These programs reduce cost while promoting innovation and investments. Maharashtra, Karnataka, Delhi and Uttar Pradesh rank the highest in respect of State/UTs that are achieving results on their Startup Ecosystem (India) played 2025 By 2025, it is expected that India will have the third biggest startup ecosystem globally after the US and China. The country ranks third in the world by high-value startup with 64 unicorns and nearly US\$4.8 billion raised for startups in H1/2025. Also, India is the 6th advanced technology nation, with more than 3,600 corporations in electronics and AI industries.

II-Review of Literature

Venkatanarayana, Illuri. Jain (2016), The study on "Startups in India-Sustainable Development," concluded that Startups generate new employment opportunities, the initiative will create new job openings in India in long run and huge roadblocks might reduce the success of this program like rigid licensing system, lack of support from banks absence of tax holiday etc. (2016) conducted a pre feasibly study to understand the growth and potential of Startup ecosystem in India under the title Growth of Startup Ecosystem in India. The Indian markets

are still unorganised with issues of vague policies, communication gaps and lack of awareness etc. Manshani — Sapna.Dubey, Anjna. Startup Women in Startup India- (A study of Women Entrepreneurs in India) — Bansal et al. The Topfree Foundation report provided insights and said, the parity of women's engagement in India's startup ecosystem is expanding quickly with the rise of various drives like Startup India and Stand-Up India giving both balance and business. Women are motivated by innovation and ambition — now with greater support from investors.

Still most of the women owned companies are metro based, making it important to bring up new businesses in villages as well, by means of necessary payments and proper education. Amit Kumar,\ Mahesh Narayan\ Madhusudan Narayan Mohanty\ Full author list. Abstract Mishra R. (2019) conducted a research on Growth Pattern and Trends in Startup Funding in India to studies the trend of funding stages received by startups and growth pattern of startups.

The study also found that Indian entrepreneurs primarily prefer to fund only in four stages: early, growth, expansion and bridge investment. Funding was at its highest in the expansion phase of the financial years. Bridge funding is getting more regular, representing about 10 percent of exchanges. Moreover, it is observed that after the first round of testing, entrepreneurs receive funding assistance from new financing channels. Banudevi, P.B., and Shiva, G. (2019) analyzed the key challenges faced by startups in India and discussed the main sources of finance for startups in India in their paper titled "Understanding the challenges that determine access to finance of Startups in India."

The research showed that financing continues to be a major challenge for early-stage startups -- especially in recessions, when credit is tighter and makes more trading off or investing less up front. Rapid technical advancements have not only raised investors' expectations, but also mandated entrepreneurs to perform due

diligence before pitching their ideas. Saha, Swarup., and Mandal, Srijata. (2020) — Sahay, Startup in India-An Overview 2022 Studied the Growth of Startups in India, Various initiatives taken by Government, etc.

This study showed that the Indian government is encouraging economic growth with initiatives like Make in India, Startup India and MUDRA as well as thousand other opportunities for many companies involved in food, energy and information technology.

In the year (2024) did an analysis on "A Study on Emerging Trends in Startups in India" to explore the ecosystem of startups, support schemes offered by the government, and some systemic problems associated with success and failure among startups in India.

According to the study Indian startups are facing regulatory challenges, lack of infrastructure and are finding it difficult to understand the market. The entrepreneurs survive and help with the economic growth of India.

Need and Scope of Study-

The above literature denotes an emerging Startup ecosystem in India fueled by its' young population, innovation and several government initiatives like, Startup India, Stand-Up India, Make in india and MUDRA. Startups create jobs, stimulate economic development and offer new solutions to social problems.

At the same time, other challenges include reduced access to financial capital, lengthy regulatory processes and legal frameworks, fragmented markets, high infrastructure costs and lack of workforce talent.

The startup ecosystem not only has women entering it, but they too are actively involved in building their startups. Funding strategies that work well, research and mentorship involvement, stakeholder backing, and adaptability to developments in economics and technology can be necessary for startup success.

Accordingly, the current study is an endeavor to analyze the State/UTs-wise total number of

recognised startups and employment generated; as well as to assess the States/UTs-wise Fund Allocated and Utilised under Startup India Seed Fund Scheme and Fund of Funds Scheme.

The study is important for bringing out state-wise and UT-wise current status on startup ecosystem growth, job creation, funding patterns and spending gaps, and challenges faced by States/UTs towards better implementation of the Startup initiative

The study spans across all States and Union Territories (UTs) of India from 2019-2024 focusing on three key domains such as startup development, employment generation, funding allocation & fund utilisation.

III-Objective of the Study:-

The study objectives include:

- 01) To analyse State/UTS-wise expansion rate of startups recognised and employment generated through the startup initiative in India
- 2) After evaluating the position of States/UTS-wise Fund Allocated and Fund Utilised under Startup India Seed Fund Scheme and Fund of Funds scheme.

IV-Research Methodology

a) Data Source: The current study is observational and analytical in nature based upon secondary data. For the purpose of fulfilling objectives of the study, secondary data and information were obtained from Start Up India Portal, Department for Promotion of Industry and Internal Trade Reports, Ministry of Commerce & Industry report Newspapers published research articles and other Published Sources.

b) Statistical Techniques: Percentage Method, Compound Annual Growth Rate and ANOVA were used for data analysis.

c) Study hypothesis: The null hypotheses for

the study results are developed.

V-Hypothesis:-

H0 : There is some (no) variation in the number of startups recognised in the various States/UTs.

Null Hypothesis H0 : No Difference (in jobs created) trained on startups across States / UTs

Hypotheses H0: There is no interaction between States/UTs and Years with respect to startups recognized.

H0: States/UTs and Years do not interact in generating employment.

STATE/UTS WISE DATA OF STARTUP RECOGNITION BY DPIIT2019-2023 TABLE

NO. In 2023, the state registering the highest number of startups is Maharashtra (5,801), followed by states Uttar Pradesh (3,426), Gujarat (3,291), Karnataka (3,032) and Tamil Nadu 2,810). Delhi has remained the best UT in startup ecosystem among all UTs followed by JKUT

(247) and Chandigarh (126). The research found that the well-performing states/UTs in startup development were due to a robust startup ecosystem, supporting external policies of government, sizeable consumer market and demand, awareness and availability of funding (including both public as well as private source), good infrastructure, and connectivity.

In contrast, Sikkim (2), Mizoram (13), Arunachal Despite having out of 36 international branches in India, there are a wide variety of startup development States/UTs such as Pradesh (17), Meghalaya (18), Lakshadweep |2| been limited to | |02imited to |4Ladakh have ended.

This less number of start-ups in these states/UTs is due to remote area location, non availability of incubators, less demand from consumers, low market size etc. support, investment reasons, skilled manpower issue etc.

VI. DATA ANALYSIS AND FINDINGS

Table No.1
States/UTs-Wise Number of Startups Recognition by the DPIIT
(During 2019-2023)

States/UTs	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR (%)
Andaman and Nicobar Islands	7	5	13	9	15	19.3
Andhra Pradesh	161	215	286	382	586	37.3
Arunachal Pradesh	2	-	4	9	17	66
Assam	62	108	181	282	362	49.5
Bihar	137	236	374	517	811	54.3
Chandigarh	37	52	63	81	126	28.4
Chhattisgarh	152	143	159	233	360	22.6
Dadra and Nagar Haveli and Daman and Diu	3	5	12	12	11	36.1
Delhi	1,302	1,711	2,129	2,548	3,150	25
Goa	39	60	78	104	98	25.2
Gujarat	565	846	1,655	2,262	3,291	56
Haryana	658	787	1,036	1,327	1,740	27.3
Himachal Pradesh	27	40	55	117	144	57
Jammu and Kashmir	30	57	123	167	247	74
Jharkhand	79	153	180	232	337	42.7
Karnataka	1,566	1,648	2,082	2,546	3,032	18.5
Kerala	597	671	901	1,070	1,294	22
Ladakh	-	1	-	4	4	-
Lakshadweep	-	1	-	-	2	-
Madhya Pradesh	302	401	540	891	1,264	41.1
Maharashtra	1,987	2,531	3,552	4,763	5,801	30.5
Manipur	3	10	33	31	26	58
Meghalaya	5	-	6	10	18	38
Mizoram	-	1	2	6	13	-
Nagaland	2	5	6	7	22	66
Odisha	170	257	367	442	620	37.5
Puducherry	10	13	16	29	43	43
Punjab	86	134	239	294	443	49
Rajasthan	321	459	591	986	1,443	44.1
Sikkim	2	1	3	2	2	0
Tamil Nadu	556	715	1,067	1,791	2,810	50.2
Telangana	559	754	928	1,370	1,757	32.4
Tripura	7	17	11	25	23	54
Uttar Pradesh	807	1,290	1,876	2,554	3,426	43.2
Uttarakhand	87	109	155	236	271	31.2
West Bengal	276	362	648	991	1,170	42.3
Grand Total	10,604	13,798	19,371	26,330	34,779	33.7%

Source: Ministry of Commerce & Industry, Government of India
(Press Information Bureau)

Additionally, As we hover around the states Gujarat (56%) and Tamil Nadu (50.2%) exhibit great compound annual growth in Startup recognition among the states with High number of Startups. States which had registration of startups in lower numbers in 2019 such as Arunachal Pradesh (5), Nagaland (10), Manipur (11), Himachal Pradesh (4) and Tripura(13) showed fast compounded annual growth rates at 66 per cent, 58 per cent, 57 per cent, and 54 percent respectively. In contrast, states/UTs like Karnataka (18.5%), Kerala (22%) Chhattisgarh (22.6%), Goa (25.2%), Haryana In 2019 Mumbai (27.3%), Delhi (25%) and Chandigarh (28.4%) were by far most successful cities in terms of the absolute amount of startups although this

development is a relative lower growth rate. In the years 2019 and 2023, there are no startup registration in UTs Ladakh and Lakshadweep and Mizoram state. Overall, the total number of startups registered in India has more than tripled (from 10,604 in 2019 to 34,779 in the year 2023) at a compound annual growth rate (CAGR) of 33.7 per cent p.a.

Table No. 2
States/UTs-Wise Number of Startups Recognition by the DPIIT
(ANOVA- Two Factor with Replication)

Source of Variation	SS	df	MS	F	P-value	F crit
Sample (Different States/UTs)	63339457.46		1809698.784	16.85344559	3.74713E-51	1.464160151
Columns (Different Years)	186189373.3	1	186189373.3	1733.95291	6.7062E-124	3.873949699
Interaction	63339457.46	35	1809698.784	16.85344559	3.74713E-51	1.464160151
Within	30925026.4	288	107378.5639			
Total	343793314.7	359				

Source: Result by Applying ANOVA-Two Factor

The null hypothesis seems to be rejected as the calculated F-value = 16.85 > F-crit = 1.46 and P value F-crit=3.87, p F-crit value = 1.46, p-value is < 0.01 so the null hypothesis is rejected for States/UTs and Years are insignificant together as indicators of achievement in NETS performed on Year 2015–16 by states of India

using Dunnette analysis test via ANOVA analysis to restate hypothesis [13]. It can be seen from the below that there is a statistically significant variation between States/UTs and year-wise startup recognitions indicating growth of startups over the years is not uniform in nature across the States/UTs.

Table No. 3
States/UTs-Wise Number of Employment Created by the Recognised Startups (During 2019-2023)

States/UTs	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	CAGR (%)
Andaman and Nicobar Islands	60	32	72	71	97	14.2
Andhra Pradesh	1,552	2,849	2,304	3,067	5,669	36.2
Arunachal Pradesh	12		31	55	185	94.4
Assam	726	874	1,403	2,553	3,350	44.8
Bihar	1,079	2,134	3,086	4,498	9,057	77
Chandigarh	312	355	978	898	1,328	40.8
Chhattisgarh	1,423	1,054	1,694	2,126	3,189	22
Dadra and Nagar Haveli and Daman and Diu	29	31	136	147	138	39
Delhi	13,862	17,638	22,231	29,955	38,280	26
Goa	349	340	494	830	824	21
Gujarat	6,077	9,295	17,329	23,610	48,138	63
Haryana	9,990	10,515	10,006	13,694	26,021	27
Himachal Pradesh	195	281	344	972	1,079	52
Jammu and Kashmir	238	447	776	1,297	2,452	74
Jharkhand	624	1,353	1,362	1,827	3,525	46
Karnataka	20,256	23,767	20,812	24,544	35,066	15
Kerala	4,413	5,446	7,582	10,286	11,737	24
Ladakh	-	3	-	32	29	-
Lakshadweep	-	7	-	-	31	-
Madhya Pradesh	3,955	3,468	6,568	11,511	12,070	28
Maharashtra	21,979	29,133	38,354	50,913	64,974	26
Manipur	22	116	382	309	195	71
Meghalaya	27	-	48	61	157	52
Mizoram	-	2	15	106	79	-
Nagaland	10	32	81	71	268	136
Odisha	2,248	2,220	3,742	4,526	6,532	25
Puducherry	130	68	198	233	568	38
Punjab	1,230	1,673	2,429	2,318	4,935	40
Rajasthan	3,819	4,439	5,579	10,590	13,724	37
Sikkim	6	2	29	22	8	7.7
Tamil Nadu	6,860	7,772	9,684	17,192	30,536	43
Telangana	8,622	8,576	9,581	14,249	18,378	18
Tripura	46	735	95	188	193	41
Uttar Pradesh	8,823	13,226	18,812	22,673	33,831	41
Uttarakhand	701	709	1,696	1,684	2,401	36
West Bengal	3,396	2,604	6,632	9,353	11,468	33
Grand Total	1,23,071	1,51,196	1,94,565	2,66,461	3,90,512	32.5%

Source: Ministry of Commerce & Industry, Government of India (Press Information Bureau)

While Table No. 3 depicts the State/UT-wise data of jobs generated by startups registered in India from 2019-2023. From the table, it is evident that out of all the states in India, Maharashtra (64,974) state played a pivotal role in generating maximum employment under startup across whole India. By 430 local communities from the total number of positive cases recorded in India, the Gujarat (48,138), Karnataka (35,066), Uttar Andhra Pradesh (33,831), Tamil Nadu (30,536) and Haryana (26,021). Delhi is a top-performing UT in India, having generated 38,280 jobs in 2023. Small number of jobs created but emerging startup ecosystems with sky high compound growth rate states: Nagaland (136%), Arunachal Pradesh (94.4%), Bihar (77%), Jammu & Kashmir (74%) and Manipur (71%). Among all states/UTs, the

absolute jobs created in Delhi (26%), Maharashtra (26%) and Karnataka (15%) rank highest but have a lower employment creation compound annual growth. Ladakh, Lakshadweep and Mizoram have shown erratic trends because their numbers are small (fewer events) and they experience data gaps. The employment generation growth rate (7.7%) of Sikkim among all the States/UTs is very poor. While, Goa (21%) Telangana (18%) Chhattisgarh (22%) Kerala (24%) Odisha (25%), Delhi (26%), Maharashtra (26%) and Haryana (27%); with good ecosystems in place, but only moderate growth of employment creation. In total, the number of positions created in India increased from 1,23,071 in 2019 to 3,90,512 as of October 2023 at a compound growth rate of 32.5 per cent p.a.

Table No. 4
States/UTs-Wise Number of Employment Created by the Recognised Startups |
(ANOVA- Two Factor with Replication)

Source of Variation	SS	df	MS	F	P-value	F crit
Sample (Different States/UTs)	7843213042	35	224091801.2	15.44550633	9.5002E-48	1.46416
Columns (Different Years)	1613082038	1	1613082038	111.1815278	3.38543E-22	3.87395
Interaction	7843213042	35	224091801.2	15.44550633	9.5002E-48	1.46416
Within	4178460543	288	14508543.55			
Total	21477968667	359				

Source: Result by Applying ANOVA-Two Factor

From Table No.4, the sample (Different States/UTs) calculated F-value $15.45 > F\text{-crit}$ (1.46). The p-value $F\text{-crit} = 3.87$ and the p-value is $<$ The number of employments generated through notified startups, which was at 0.01 in 2015, has really risen over the years. In addition, the F-value for interaction effect is calculated as $F = 15.45$; $F\text{-crit} = 1.46$; $p < 0.01$, therefore null hypothesis is rejected. The interaction effects of determinants showed first differences in employment growth between States/UTs over time.

Table No. 5
State/UT-Wise Fund Allocated and Utilised under the Startup India Seed Fund Scheme (Up to November 2022)

Name of State/ UT	Total Amount Allocated (Approved for the selected incubators) (In Rs. Crore)	Total Amount Utilised (Disbursed to the selected incubators) (In Rs. Crore)	Fund Utilization Rate (%)
Andhra Pradesh	4.00	1.60	40
Assam	2.00	0.80	40
Bihar	10.00	4.00	40
Chhattisgarh	1.00	0.40	40
Delhi	12.00	4.80	40
Goa	11.80	4.72	40
Gujarat	62.00	22.40	36.13
Haryana	7.00	2.80	40
Himachal Pradesh	8.00	2.00	25
Karnataka	49.50	19.55	39.49
Kerala	18.00	8.70	48.33
Madhya Pradesh	12.00	4.80	40
Maharashtra	62.50	23.60	37.76
Odisha	19.00	6.80	35.79
Puducherry	8.00	3.20	40
Punjab	13.00	4.00	30.77
Rajasthan	33.50	12.60	37.61
Sikkim	3.00	1.20	40
Tamil Nadu	34.00	18.70	55
Telangana	39.95	17.58	44
Uttar Pradesh	30.00	15.90	53
Uttarakhand	10.00	4.00	40
West Bengal	5.00	2.00	40
Grand Total	455.25	186.15	40.89%

Source: Ministry of Commerce & Industry, Government of India
(Press Information Bureau)

Table No. 5 : State/UT-wise Fund Allocated(in Rs. Crore) and Utilised (in Rs. Crore) under Startup India Seed Fund Scheme Maharashtra – The State with Allotment of the Highest Fund (62.50) under the Startup India Seed Fund Scheme These states include Maharashtra (62.50), Gujarat (62.00), States with the Highest Pass Percentage Karnataka (49.50), Telangana (39.95), Tamil Nadu (34.00), Rajasthan (33.50) and Uttar Pradesh (30.00). They conjointly received 68.41% of the overall fund allocated underneath the Startup India Seed Fund Scheme of the states, with Maharashtra (52.61%), UP (42.66%) and Pradesh (30.00). Among all the States/UTs, Chhattisgarh has attracted the lowest funding (1.00) towards startup activity under the Seed Fund Scheme now based on state ranking-wise followed by states Assam (2.00), Sikkim (3.00), Andhra Pradesh (4.00), and West Bengal (5.00). Data upto October 2023 Tamil Nadu (55%), Uttar Pradesh (53%), High fund use efficiency under Seed Fund Schemes is seen in Kerala (48.33%) and Telangana (44%), states with Please On the

other hand, Himachal Pradesh (25%), Punjab (30.77%), Odisha (35.79%), Gujarat (for 36.13%), Rajasthan (for 37.61%) Yet wide allocation of funds in states like Maharashtra, Gujarat and Rajasthan are not fully utilised as reflected in their percentages for utilisation of funds (37.76% and 39.49%) respectively. Himachal Pradesh is one of the lowest metre States/UTs when it comes to effective utilization of funds earmarked for this purpose (25%). Additionally, other States/UTs like Andhra Pradesh, Assam, Bihar, Chhattisgarh and Delhi were somewhere between 40 per cent of the amount set to each state under the Startup Seed Fund Scheme by utilisation.

The study attributed low utilisation of funds in a few States/UTs to a weak startup ecosystem, prolonged fund approval process, lack of awareness among entrepreneurs, dearth of incubators, the Covid-19 Pandemic disruption, absence of infrastructure and shortage of manpower. All through its implementation, just 40.89 per cent of the capital outlay has been absorbed beneath the scheme, which signifies

some progress in begin ups execution however at a sluggish tempo.

Table No. 6
State/UT-Wise Fund Allocated and Utilised under the Fund of Funds for Startups Scheme (Up to November 2022)

Name of State/ UT	Total Amount Allocated (In Rs. Crore)	Total Amount Utilised (In Rs. Crore)	Fund Utilization Rate (%)
Assam	25.00	16.48	65.92
Delhi	751.00	539.31	71.81
Gujarat	100.00	51.75	51.75
Haryana	111.00	34.42	31
Karnataka	1,719.75	754.15	43.85
Maharashtra	4,241.20	1,450.58	34.20
Tamil Nadu	450.00	279.05	62.01
Telangana	130.00	78.56	60.43
Grand Total	7,527.95	3,204.29	42.57%

**Source: Ministry of Commerce & Industry, Government of India
(Press Information Bureau)**

The data of State/UT wise Fund Allocated (in Rs. Scrore) and Utilised (in Rs. Crore) under the Fund of Funds for Startups is shown at Table No-6. Maximum fund (4,241.20)has been assigned to state Maharashtra under Fund of Funds for Startups, followed by Karnataka (1,719.75), Delhi(751.00)and Tamil Nadu(450.00). Maharashtra has has received a share 56.34% of the total fund released under the Fund of Funds for Startups in India. In the recently released information, Assam received least allocation (25.00) under the Fund of Funds for Startups c Telangana(130.00),and Tamil Nadu (450.00). States such as Delhi (71.81%), Assam (65.92%) Tamil Nadu (62.01%) and Telangana(60.43%),have high utilisation efficiency of funds under this scheme In contrast, Maharashtra and Karnataka states have very large allocation of funds but quite utilised ([31%) while Haryana state fund is only (43.85%). Among all the States/UTs of India, Haryana has the lowest expenditure efficiency (31%) against DBT-AADHAR funds allocated to it. In total, only 42.57 per cent of allocated funds have been used under the Fund of Funds for Startups, indicating a slow pace in startup implementation.

Conclusions:-

The study found a lot of variation in startup development across different regions of India. Maharashtra (5,801) added the most startups

between January 1 and October 31 this year, followed by Uttar Pradesh, Gujarat Karnataka and Tamil Nadu. Among UTs Delhi topped the charts. This is owing to a very strong ecosystem, supportive policy environment, size of the consumer market and demand led growth supported by availability of funding for entrepreneurs and infrastructure. On the other hand, states like Sikkim, Mizoram and Arunachal Pradesh had some of the lowest startup activity levels attributed to remoteness, fewer incubators in these areas, poor infrastructure and weak support from the state government. Of these, the number of startups in India grew from 10,604 in 2019 to 34,779 (CAGR: 33.7 per cent), with a significant variation across States/UTs and years ($p < 0.01$) [Figure2] Maharashtra also generated the maximum employment -- 64,974 jobs -- followed by Gujarat, Karnataka and Uttar Pradesh, while Delhi stood first among the UTs. There was an overall increase in employment from 1,23,071 to 3,90,512 (CAGR = 32.5) between 2019 and 2023 varying enormously by year and State/UT ($p < 0.01$). Maharashtra ranked first in terms of funding under the Seed Fund Scheme as well as the Fund of!

However the utilisation efficiency of the funds was very low i.e.these are primarily attributed to weak ecosystems, long fund approval processes, low awareness levels, no/good incubators and the Covid-19 pandemic etc — 37.76 per cent

and 34.20 per cent respectively. In total, it finds that although India's startup ecosystem is growing rapidly, with uneven growth and fund deployment across states and UTs. The aim is to

build stronger ecosystems, make funds more efficient, and support nascent states across the country that can lead the charge in building inclusive startups in India.

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