Startup India @10 – From Policy Initiative to National Innovation Revolution

January 17, 2026 • vajiramandravi.com

Startup India @10 Latest News

- On January 16, 2025 (**National Startup Day**), the Prime Minister of India addressed the startup ecosystem on the 10th anniversary of the Startup India scheme, launched on January 16, **2016**.
- He highlighted **record growth in startup** registrations, changing attitudes towards risk-taking, and India's ambition for global leadership in deep tech and indigenous AI.

The Startup India Scheme

- It is a flagship Government of India initiative, launched in 2016, to foster a robust ecosystem for innovation and entrepreneurship, transforming India into a nation of job creators through support **pillars**:
  - Simplification & Handholding,
  - Funding Support, and
  - Incubation & Industry-Academia Partnership.

- It offers benefits like tax exemptions, easier compliance, seed funding, and **mentorship** to eligible startups, promoting economic growth and large-scale job creation.

Key Highlights of Startup India's Decade-long Journey

- **Record growth in startup ecosystem:**
  - Nearly 44,000 startups registered in 2025 — highest annual addition since inception. India is now the **3rd largest** startup ecosystem globally.
  - **Growth trajectory**: Less than 500 startups, and 4 unicorns in 2014. Over 2 lakh DPIIT-recognised startups, and about 125 active unicorns in 2025.
  - **Impact:** Startups → Unicorns → IPOs → creates a virtuous cycle of job creation, and innovation-led growth.
- **Cultural shift – Mainstreaming risk-taking:**
  - Risk-taking is now socially accepted and respected, unlike earlier stigma. Shift from job-seeking **mindset** to job-creating mindset.
  - Expansion of entrepreneurship beyond elite families to middle class and poor – boosting entrepreneurial culture, risk capital, and demographic dividend.
- **Government support and funding ecosystem:**
  - ₹25,000 crore invested via Fund of Funds for Startups (**FFS**).
  - Fund of Funds 2.0 (₹10,000 crore) approved in April 2025 to focus on deep tech sectors (Artificial Intelligence (AI), Machine Learning, Quantum technologies, Defence & Aerospace).
  - **Objective**: To provide patient risk capital due to long gestation periods.
- **Strategic focus on indigenous AI and manufacturing:**
  - PM's call for indigenous AI solutions developed by Indian talent and hosted on Indian servers (data sovereignty).
  - **IndiaAI Mission:** 38,000+ GPUs onboarded to democratise access to computing power.
  - **Emphasis on**: Manufacturing, global-standard products, and leadership in new technologies (not mere partnerships) – boosting strategic autonomy, economic security, and data sovereignty.
- **Inclusivity in the startup revolution:**
  - **Women-led startups**: For example, over 45% recognised startups have at least one woman director/partner. India is the **2nd largest** ecosystem of women-led startups globally.
  - **Geographical spread**: Rapid rise in tier-2, tier-3 cities and rural areas. Focus on solving local and grassroots problems – promoting inclusive growth, women entrepreneurship, and regional balance.
- **Regulatory reforms and ease of doing business:**
  - **Jan Vishwas Act:** Decriminalised over 180 provisions – promoting Ease of Doing Business, and trust-based governance.
  - **Key enablers:** Self-certification under multiple laws, simplified mergers and exits, and reduction in Inspector Raj.
  - Innovation ecosystem strengthened through **Atal Tinkering Labs**, hackathons, and incubation support.
- **Sectoral breakthroughs enabled by policy support:**

    - **Defence and space:** iDEX enabled startup participation in defence procurement. The space sector opened to private players, with about 200 space startups gaining global approvals.
    - **Drone sector:** Removal of outdated rules unlocked innovation.
    - **Government e-Marketplace (GeM):** Nearly 35,000 startups and small businesses are onboarded on GeM, and have received more than 5 lakh orders worth over Rs 50,000 crore, highlighting public procurement reforms.

Challenges and Way Ahead

- **Sustaining funding**: During global economic uncertainties. Expand access to risk capital and advanced infrastructure (GPUs, labs).
- **Bridging deep tech talent and R&D gaps:** Strengthen deep tech ecosystems through academia–industry collaboration. Integrate startups with national missions (AI, defence, space, climate tech).
- **Ensuring quality scale-up:** Enhance domestic manufacturing under startup-led innovation.
- **Managing cybersecurity:** Ensuring data governance in AI-driven growth.
- **Avoiding regional and sectoral concentration:** Focus on export-oriented and globally competitive startups.

Conclusion

- As India marks a decade of the Startup India Initiative, the country's startup ecosystem stands at an **inflection point** – moving decisively from rapid expansion to sustainable scale and deeper integration with the real economy.
- It represents not merely scale, but **structural transformation** built on demographic advantage, digital public infrastructure, and a sustained reform agenda.
- As India advances towards a $7.3 trillion economy by 2030 and the broader vision of Viksit Bharat 2047, startups are poised to remain central to the country's development trajectory.

Source: TH | IE
