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Government revises Startup Recognition Framework to strengthen Startup India Action Plan

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Under the revised Startup Framework, the eligibility limit for businesses has been increased to Rs 200 crore



The government has revamped the Startup Recognition Framework to further strengthen the Startup India Action Plan and take forward the Prime Minister's vision of positioning India as a global innovation powerhouse, manufacturing-led economy and hub for emerging tech.

As Startup India enters its second decade, the revamped framework seeks to provide a more predictable, inclusive, and future-ready policy environment for founders while facilitating the flow of long-term limited capital in high-technology and research-intensive sectors.

The following are the major amendments made in the Startup Recognition Criteria:

Increased Turnover Limit for Startup Recognition:

Keeping in view the evolving startup ecosystem and the need to support enterprises at various stages of their business life cycle, the threshold for turnover for getting recognized as a startup has been increased from Rs 100 crore to Rs 200 crore.

Launch of a dedicated category for Deep Tech Startups:

A new sub-category called 'Deep Tech Startups' has been introduced for entities working on cutting-edge and groundbreaking technology. The salient features of Deep Tech Startups have been finalized through consultations with relevant Ministries, Departments, and ecosystem partners to ensure clarity, uniformity, and identity of purpose. Keeping in view the long growth period of deep tech enterprises, high R&D intensity and nature of large amount of money invested, the eligibility criteria for this category has been expanded with the time limit from the date of incorporation or registration increasing from 10 years to 20 years and the turnover limit being raised to Rs. 300 crore.

Inclusion of cooperatives as eligible entities:

The startup recognition eligibility has been extended to cooperatives to promote grassroots-based innovation-driven growth in agriculture, allied sectors, village industries, and community-based enterprises. Accordingly, Multi-State Cooperative Societies registered under the Multi-State Cooperative Societies Act, 2002 as well as cooperative societies registered under the State and Union Territory Cooperative Acts are now eligible for startup recognition subject to fulfillment of other applicable criteria.

The revised framework has been prepared after extensive consultations with stakeholders in the startup ecosystem as well as various ministries and departments. The updated norms are expected to expand access to startup benefits for research and innovation-driven enterprises, provide targeted support to deep technology enterprises requiring extended development timelines, enable cooperatives to foster innovation in agriculture and rural development, and further strengthen India's position as a global hub for high-technology and knowledge-intensive entrepreneurship.