DPIIT Advances Trust-Based Governance Through Startup Support, Regulatory Reforms and Digital Single-Window Clearances

Startup India Supports 2.5 Lakh+ Startups, Generating 25.42 Lakh+ Jobs Across 770+ Districts

Startup Credit Guarantees Reach ₹1,662 Crore as 63 Regulatory Reforms Strengthen the Startup Ecosystem

47,957 Compliances Reduced and 900 Legal Provisions Decriminalised to Ease Business Regulations Across India

Labour Law Consolidation and Licensing Reforms Simplify Compliance and Reduce Regulatory Burden on Businesses

India Records USD 843 Billion in FDI Over 12 Years as Investment Reforms Expand Automatic Route Across 17 Sectors

National Single Window System Simplifies Approvals Through Digital Integration, Automation and 22-Language Accessibility

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The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, has driven a sustained shift from a permission-based to a trust-based regulatory framework. Reforms across the startup ecosystem, compliance reduction, sectoral regulation, foreign direct investment and single-window clearances have reduced the regulatory burden on businesses and delivered measurable outcomes in business entry, employment, investment and digital service delivery.

DPIIT has recognised 2,50,046 startups, reporting over 25.42 lakh jobs across 770+ districts and 56 industries. Of these startups, 52% are from non-metro cities and 48% have at least one woman director. Annual recognitions increased from 34,200 in FY 2023-24 to 36,440 in FY 2024-25.

Under the Startup India Seed Fund Scheme, ₹775.67 crore has been approved for 4,194 startups across 32 States/UTs through 244 incubators, including 2,147 women-led startups and 2,356 startups from Tier-II and Tier-III cities. Under the Fund of Funds for Startups, SIDBI has committed ₹12,623 crore to 166 Alternative Investment Funds (AIFs), which have invested ₹28,254 crore in 1,475 startups.

The Credit Guarantee Scheme for Startups has guaranteed 532 loans worth ₹1,662.71 crore to startups employing 41,637 people. The guarantee cover per borrower has been doubled from ₹10 crore to ₹20 crore, while the annual fee has been reduced to 1% for 27 Champion Sectors.

A total of 63 regulatory reforms have been enabled, including the abolition of angel tax, harmonisation of long-term capital gains taxation for listed and unlisted shares, and permission for insurance companies, EPFO, superannuation funds and gratuity funds to invest in AIFs. Further, 4,467 startups hold the Section 80-IAC certificate of eligibility.

With prior-experience, prior-turnover and Earnest Money Deposit (EMD) requirements relaxed, the number of startups registered on the Government e-Marketplace (GeM) has increased from 7,929 in January 2021 to 43,260. These startups have delivered 6.23 lakh orders worth ₹68,105 crore to public buyers. Dedicated startup policies have expanded from four States/UTs in 2016 to 32. In addition, 104 new incubators have been established across 17 States/UTs, while the TEJAS initiative covers 132 districts in 27 States/UTs.

A total of 47,957 compliances have been reduced across Central Ministries and States/UTs. Of these, 22,290 have been digitised, 16,141 simplified, 5,255 decriminalised and 4,271 eliminated. The Jan Vishwas Acts have decriminalised 900 provisions of Central laws, comprising 183 provisions across 42 Acts in 2023 and 717 provisions across 79 Acts in 2026.

States/UTs have implemented over 9,700 reforms across seven editions of the Business Reforms Action Plan (BRAP). The District BRAP extends 222 reforms to District Collectorates, Development Authorities and Urban Local Bodies.

Twenty-nine Central labour laws have been consolidated into four Labour Codes. The threshold for prior permission for lay-off or closure has been raised from 100 to 300 workers. The applicability threshold for factories has been increased from 10 to 20 workers for establishments using power and from 20 to 40 workers for those not using power. The threshold for contract-labour licensing has been raised from 20 to 50 workers. A 30-day compliance notice is now mandatory before legal action.

The validity of licences issued by the Petroleum and Explosives Safety Organisation (PESO) has been extended from five to ten years, reducing the need for renewals. All PESO modules have been digitised and integrated with the National Single Window System (NSWS), with online No Objection Certificates (NOCs) issued by District Authorities and fee relaxations provided for women and Micro, Small and Medium Enterprises (MSMEs). The Boilers Act, 2025, has replaced the colonial-era Boilers Act, 1923.

Seventeen sectors have moved to the automatic route for foreign direct investment (FDI). In the defence sector, the FDI limit under the automatic route has been raised from 49% to 74% for new industrial licences. The FDI limit in insurance was raised from 49% to 74% in

2021 and to 100% in 2026 for insurers investing their entire premium in India. The sector attracted approximately USD 8.79 billion in FDI from FY 2021-22 to FY 2024-25.

Up to 100% FDI is permitted under the automatic route in telecommunications, non-scheduled air transport services and ground handling in civil aviation, as well as satellite component manufacturing and broadcasting distribution.

India received USD 843 billion in FDI during FY 2014-15 to FY 2025-26, 169% higher than the USD 313 billion received in the preceding twelve years. The inflow reached an all-time high of USD 94.53 billion in FY 2025-26.

The National Single Window System (NSWS) has received 15,49,850 applications, registered 5,76,778 businesses and delivered over 8.5 lakh approvals. A total of 3,779 services are live on the platform, comprising 327 Central and 3,452 State services, compared with 142 Central approvals and 14 States/UTs at its soft launch in September 2021. The system has integrated 34 States/UTs and 32 Central Ministries/Departments, with 18 Central Ministries using NSWS.

The Know Your Approvals (KYA) module enables businesses to identify the Central and State approvals applicable to them at the outset, providing visibility of over 8,000 approvals. Of these, 2,825 approvals, comprising 592 Central and 2,233 State approvals, are integrated through KYA. To eliminate repetitive data entry, 89 common data fields now auto-populate across 285 approvals. The portal is available in 22 Indian languages, improving accessibility for entrepreneurs across regions.

NSWS is also being used to eliminate approval steps altogether. The Industrial Entrepreneur Memorandum (IEM) is now auto-generated using data drawn from the Ministry of Corporate Affairs (MCA), Goods and Services Tax Network (GSTN) and other databases, without requiring departmental approval. Similarly, e-B4 production visa sponsorship letters for foreign professionals are generated through API integration between NSWS and the Visa portal, without requiring approval from the concerned line Ministry.

States/UTs have been encouraged to establish and strengthen Single Window Systems (SWS) as integrated digital platforms providing businesses with a single point of access to regulatory approvals and compliances. The framework promotes features such as Single Sign-On, Single Business ID, Know Your Approvals, Common Application Forms, online payments, inspection management, applicant guidance, grievance redressal and real-time dashboards, supported by inter-departmental integration and end-to-end digital processing.

These initiatives aim to reduce procedural complexity, minimise physical touchpoints, improve transparency and ensure time-bound service delivery. Taken together, the reforms mark a steady transition towards simpler, digital and less burdensome regulation, enabling businesses to start, grow and invest with greater ease.

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