1 India's Evolving Entrepreneurial Landscape: A Paradigm of Global Ambition and Innovation

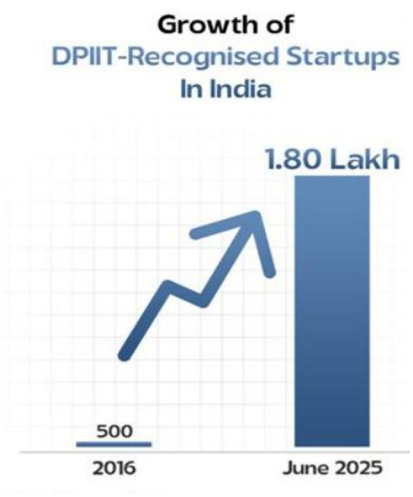
Chapter 1

India's Evolving Entrepreneurial Landscape: A Paradigm of Global Innovation and Ambition

1.1 Introduction

Few forces shape economic trajectories as powerfully as entrepreneurship. Governments everywhere have caught on, building ecosystems that nurture startups, attract capital, and turn ideas into jobs. India's own startup scene has changed almost beyond recognition over the past decade, moving from a patchwork of city-specific clusters to a genuinely competitive innovation hub on the world stage. Today, India ranks among the top three countries globally for startup activity, with over 200,000 DPIIT-recognized startups and nearly 125 unicorns as of 2025 (Press Information Bureau, 2025; Economic Survey, 2026). This shift has been driven by supportive regulations, widespread internet access, and a growing culture of risk-taking and innovation.

What is striking about the current moment is how far entrepreneurial ambition has spread beyond the usual sectors. Founders are now building ventures in Artificial Intelligence (AI), machine learning (ML), chip design, defense technology, sustainability, and even professional caregiving. Government-led initiatives such as the IndiaAI Mission, the Semiconductor Mission, Defense Industrial Corridors, and Circular Economy frameworks are creating opportunities that did not exist a few years ago. These programmes are helping entrepreneurs enter new markets and build ventures with real impact. A new generation of founders is pushing Indian enterprises onto the global stage, supported by efforts from both public and private sectors to ease regulatory hurdles, improve access to capital, and address infrastructure gaps. Together, these changes are enabling high-growth firms to thrive across a wide range of industries.



S. Shukla et al., *Global Entrepreneurship Monitor*,
https://doi.org/10.2991/978-94-6239-735-4_1

Figure 1.1 DPIIT Recognized startup growth (From left 2016 to June 2025)

Source: Ministry of Commerce and Industry

India's policy environment has been central to this progress. Initiatives like Startup India and Atmanirbhar Bharat Abhiyan have simplified business registration, reduced compliance burdens, offered tax benefits, removed angel tax, and improved access to early-stage funding. These reforms have made it easier to start and scale a business in India (PIB, 2025), allowing entrepreneurs to focus on solving real-world problems in healthcare, education, logistics, and beyond. Despite global economic uncertainty, India's entrepreneurial ecosystem continues to contribute to steady growth. The International Monetary Fund (IMF, 2026) projects global growth at 3.3% for 2025 and 2026, and 3.2% for 2027. Developed economies like the United States and the Euro Area are expected to grow at 2.7% and 1.0%, respectively, in 2025 (IMF, 2026). In comparison, Emerging and Developing Asia, including India, is expected to grow at 5.4% in 2025, 5.0% in 2026, and 4.8% in 2027 (refer to Figure 1.2). Notably, India's GDP growth in FY 2023-24 stood at 8.2%, surpassing the regional average for Emerging and Developing Asia, underscoring the resilience and strength of its economic and entrepreneurial landscape (Ministry of Statistics and Programme Implementation, 2024; IMF, 2024).

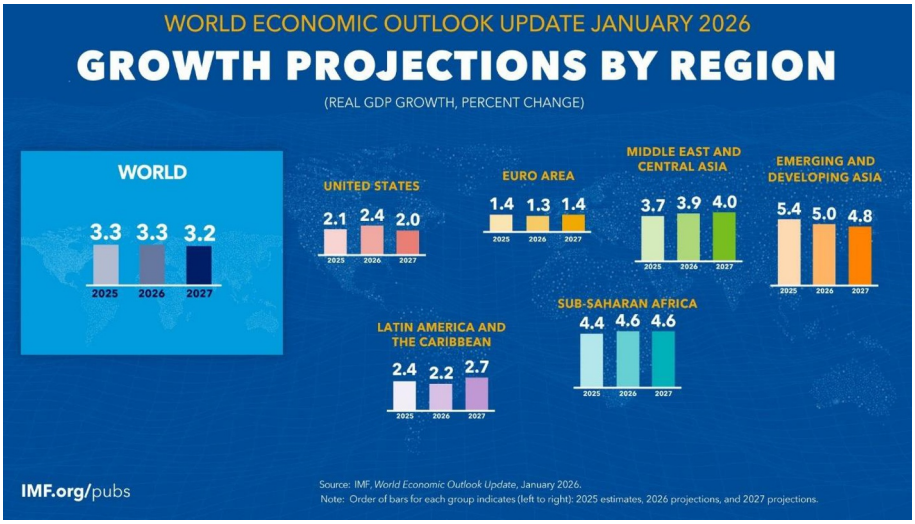


Figure 1.2 Region-wise global projection (From left 2025 to right 2027)

Source: IMF, World Economic Outlook

Simultaneously, despite geopolitical tensions, India's technological workforce continues to attract significant international investment. Venture capital and private equity firms increasingly perceive India as a fertile ground for disruptive innovations, further solidifying its position as a global leader in entrepreneurial endeavors (Tnn, 2024). India's entrepreneurial growth has been further accelerated by the emergence of a digitally equipped India. With one of the largest and most affordable internet user bases in the world, 79.2% of

men and 75.6% of women aged 15 or older in rural areas own a smartphone. But in cities, this is predicted to be about 89.4% for men and 86.2% for women of the same age. With affordable cloud computing services, entrepreneurs can quickly create and implement scalable, high-impact solutions. (Suneja, 2025). Platforms such as UPI (Unified Payments Interface) and government-backed digital frameworks like the Aadhaar-enabled payment system, Bharat QR, have democratised entrepreneurial opportunities, enabling individuals from smaller towns and rural regions to establish and grow their ventures. This inclusivity expands the pipeline of innovative ideas and decentralises economic activity, fostering creativity beyond traditional urban startup hubs (Economic Survey, 2024).

India's growing digital infrastructure is supported by a strong base of engineers, data scientists, and innovators. The country now adds one Global Capability Centre (GCC) every week, reinforcing its position as a preferred destination for global R&D and technology development. Indian entrepreneurs are making increasing use of technologies like artificial intelligence, data analytics, blockchain, and quantum computing to compete with established global players in sectors such as financial services, healthcare, and space technology (MeitY, 2023). The Bhashini AI platform, which supports over 35 languages through more than 1,600 AI models and 18 language services, has helped extend digital access across linguistic barriers. It is now integrated with IRCTC, NPCI, and police documentation systems (MeitY, 2025). India leads the world in AI skill penetration and accounts for 16% of global AI talent. Companies like Blinkit in quick commerce and Biofuel Circle in bioenergy supply chains have scaled rapidly, while AI-focused ventures like Krutrim (India's first AI unicorn), Sarvam AI (developing sovereign multilingual LLMs), and QpiAI (offering quantum computing-as-a-service) reflect India's capacity to build globally competitive solutions (Inc42, 2026).

What this evolving landscape reveals is something larger than startup valuations alone. The rise of globally recognised startups and unicorns signals a structural shift, India is no longer a resource-constrained market playing catch-up, but a leading hub where innovation meets execution. The venture capital ecosystem has matured considerably, and a more resilient entrepreneurial culture has taken root, one that is beginning to position India as a genuine contender for global leadership in enterprise development. India's startup story, at its core, is about what becomes possible when public policy, digital infrastructure, and entrepreneurial ambition align. The country continues to draw foreign investment and sharpen its talent pool, and if these trends hold, its entrepreneurial ecosystem will almost certainly influence global economic patterns in ways that were hard to imagine even five years ago.

The World Bank's Commodity Price Index (January 2026) points to notable price shifts across key sectors, with implications for India's startup landscape. Energy prices, which peaked at 143% of their January 2022 levels in early 2022, have declined steadily since Q1 2023, falling from above 80 to below 70 by Q4 2025. Metals and minerals prices stayed relatively stable around the 100 mark, while agricultural prices held steady near 105 throughout the period. The overall Commodity Price Index remained around 90, suggesting broader market stabilization. For Indian entrepreneurs, these commodity price trends create

room to maneuver by lowering input costs in some areas and opening new markets in others, and the more agile among them are already adjusting their strategies accordingly.

As a major energy consumer, India has responded to energy price volatility through both innovation and policy action. Initiatives like the National Policy on Biofuels and Startup India have supported the growth of clean energy and energy efficiency ventures. During Q4 2023 and Q1 2024, India and China absorbed redirected Russian oil exports, increasing their share in global energy markets. According to the International Energy Agency (IEA, 2024), India's oil demand continued to grow steadily in 2024, contributing to global demand growth (World Bank, 2026). Measures to promote clean cooking fuels like LPG and ethane have also increased entrepreneurial activity in sustainable energy solutions, stimulating innovation and addressing environmental concerns.

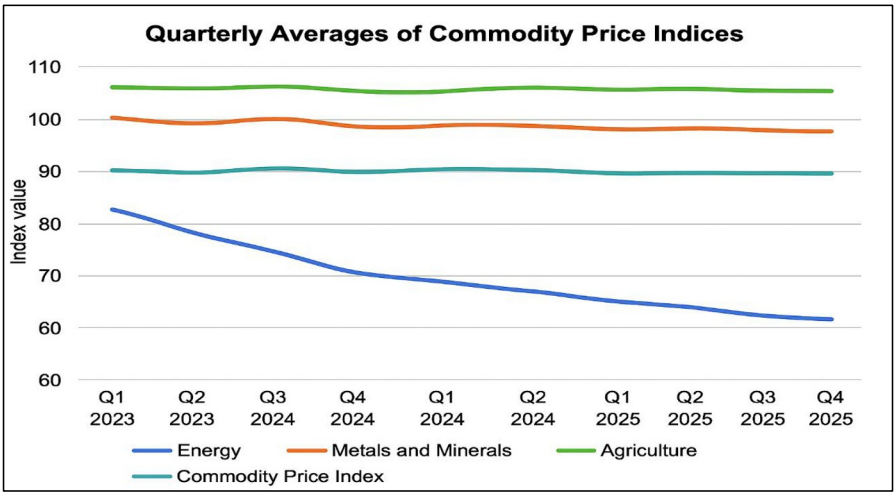


Figure 1.3 Commodity price index

Source: World Bank

Agricultural price stability has supported entrepreneurship aimed at improving sustainability and food security. Startups in this sector have optimized supply chains, enhanced efficiency, and integrated agrarian feedstock into the biofuel market. India's biofuel sector is expected to account for over 60% of global demand growth between 2023 and 2028, placing the country at the centre of the global shift toward sustainable energy. Stability in the agricultural sector has further strengthened India's domestic resilience and supported broader sustainability efforts (World Bank, 2026).

After mid-2022, prices of metals and minerals dropped due to weaker demand and lower output. This has opened up new avenues for Indian entrepreneurs in areas like sustainable mining, materials management, and resource efficiency. Startups in this space are adopting green technologies to meet global sustainability standards and respond to growing environmental concerns. These developments reflect India's ability to adapt to changing market conditions while contributing to the global push for responsible industrial practices.

As commodity prices settled into a more predictable range through late 2023 and 2024, Indian businesses found themselves operating in a less volatile environment. Entrepreneurs have seized on this stability, drawing on local resources and homegrown ideas to strengthen both economic resilience and sustainability. Energy, agriculture, and resource management are the sectors where Indian startups are making the most noise and where the country’s growing visibility on the global stage is hardest to ignore.

What ties these developments together is a shift in emphasis. Indian entrepreneurship is no longer just about creating the next app or marketplace; it is increasingly about sustainability, deep technology, and inclusion. Government backing helps, but what really drives the momentum is a startup culture that is willing to take on hard, present-day problems. In doing so, India is not merely shaping its own economic future, it is earning a seat at the global table on questions of sustainable and inclusive growth.

1.2 Transformative Evolution of the Entrepreneurial Landscape

A decade ago, India's entrepreneurial ecosystem was fragmented and largely informal, promising in pockets, but lacking the institutional depth to support high-growth ventures at scale. That picture has shifted considerably. Forward-looking policies, rapid technological change, and a cultural turn that now treats entrepreneurship as a legitimate and even prestigious career have together reshaped the landscape. India today has over 1 lakh startups and more than 100 unicorns, reflecting the energy and resilience of its startup landscape (MeitY, 2024).

Real GDP is estimated to have grown by 8.2% in Q2 of FY 2025-26, up from 8.4% in Q4 of FY 2023-24 and notably higher than the 6.6% recorded in Q2 of FY 2024-25. Real GVA trends also point to a strengthening economy, with GDP levels rising from around ₹47 lakh crore in Q2 FY 2024-25 to approximately ₹52 lakh crore in Q2 FY 2025-26. While earlier quarters showed weak performance in Manufacturing (2.2%) and Mining and Quarrying (-0.1%), the economy is now showing signs of a broader recovery. The steady rise in GDP growth from 6.5% in Q1 FY 2024-25 to 8.2% in Q1 FY 2025-26 suggests improving contributions across sectors and greater macroeconomic stability (Ministry of Statistics & Programme Implementation, 2026). Although economic growth has shown mixed signals alongside the encouraging entrepreneurial climate, continued improvement is expected in the coming quarters.

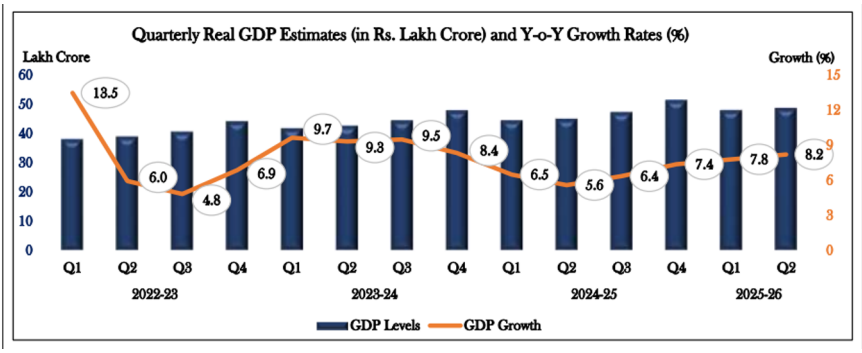


Figure 1.4 Quarterly GDP and GVA estimates along with Y-o-Y growth rates from Q1 FY 2021-22 to Q2 FY 2024-25 at constant price

Source: *Ministry of Statistics & Programme Implementation, Government of India*

One of the less obvious but equally important drivers of this shift has been a deliberate effort to widen the entrepreneurial tent. Founders from Tier 2 and Tier 3 cities, places like Indore, Jaipur, Coimbatore, and Bhubaneswar, are now bringing locally relevant innovations to market in ways that would have been unthinkable a decade ago. Government efforts to encourage entrepreneurship in these areas have created new economic opportunities, especially in agro-tech, edtech, and healthcare (Economic Survey of India, 2024). This change is not just about numbers, it reflects a wider cultural acceptance of risk-taking and innovation, placing India among the leading entrepreneurial economies in the world.

1.3 Rise of Tech-Savvy, AI-Empowered, and Risk-Tolerant Founders

Much of India's startup momentum can be traced to a new generation of founders, people who grew up fluent in technology and are surprisingly willing to bet on uncertain outcomes. A good number have studied or worked overseas, and they bring back not just technical know-how but a global sensibility about product design and market fit. What makes them effective is how they combine that international exposure with a granular understanding of Indian conditions, its regulatory quirks, its price-sensitive consumers, its infrastructure gaps. The result is businesses that can compete credibly in both domestic and global markets (MeitY, 2023).

This new cohort of entrepreneurs is drawn to disruption rather than deterred by it. They deploy AI, ML, blockchain, and data analytics not as buzzwords but as practical tools for building scalable and sustainable business models. Between H1 2023 and H1 2024, India's generative AI startup base grew 3.6 times, from 66 to over 240 (Nasscom, 2024). They tackle primary healthcare, financial services, renewable energy, and logistics issues with innovative solutions. Women entrepreneurs are also changing the entrepreneurial landscape, accounting for a growing share of total enterprises and 77.7% of beneficiaries of the Stand-Up India campaign, making it more varied and inclusive (Economic Survey, 2024; DPIIT, 2025).

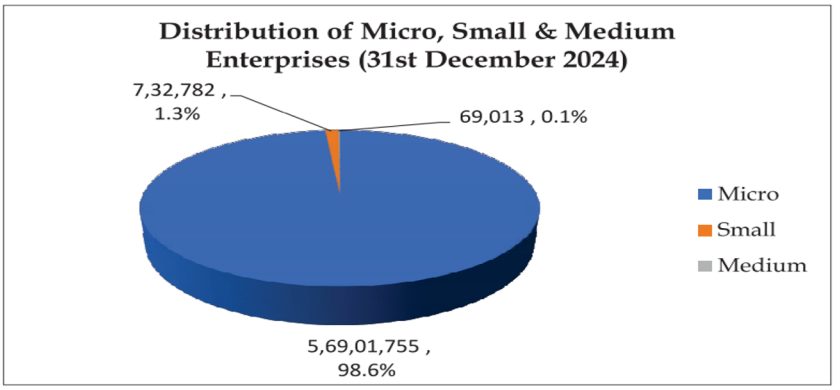


Figure 1.5 Distribution of micro, small, and medium enterprises as per Udyam registration (including informal micro enterprises on UAP)

Source: *MSME Annual Report 2024-25*

By embracing risk and leveraging technology, these founders set new benchmarks and inspire a generation of entrepreneurs to follow suit. Due to increased awareness and government support, microenterprises continue to dominate India's MSME landscape. As of 31st December 2024, 5,69,01,755 microenterprises representing 98.6% of all MSMEs were registered under Udyam, including informal microenterprises on UAP (Ministry of Micro, Small & Medium Enterprises, 2024). These enterprises are actively benefiting from government enterprise-based schemes and assistance, reinforcing the inclusiveness and reach of India's entrepreneurial framework.

1.4 Role of Policy Reforms in Fostering Innovation

Policy has mattered enormously. The Startup India initiative, which launched in 2016, did something concrete: it simplified regulations, introduced tax benefits, and for the first time opened up government procurement contracts to startups (Ministry of Commerce and Industry, 2023). These were not symbolic gestures; they measurably lowered the barriers to starting and scaling a business. At the same time, sector-specific initiatives like the National Digital Health Mission and the National Electric Mobility Mission Plan have encouraged innovation in newer industries. The introduction of GST has made tax compliance more straightforward, while the Insolvency and Bankruptcy Code (IBC) has established a clear process for handling business failures. Together, these reforms have made it easier to do business in India and have built confidence among both domestic and international investors (World Bank, 2024). Going forward, the focus remains on creating conditions that support risk-taking, reward innovation, and help the entrepreneurial ecosystem grow in a sustainable way.

1.5 India's Semiconductor Revolution: Building an Entrepreneurial Ecosystem in Chip Design and Manufacturing

If any single sector illustrates how far India's entrepreneurial ambitions have come, it is semiconductors. The India Semiconductor Mission (ISM), announced in December 2021 with an initial outlay of ₹76,000 crore, moved with unusual speed from policy blueprint to on-ground execution (ISM, 2021). By December 2025, ten projects worth ₹1.60 lakh crore had received approval across six states, spanning fabrication, assembly, testing, and packaging (PIB, 2026). The domestic semiconductor market, valued at around $38 billion in 2023 and projected to reach $100-110 billion by 2030, presents considerable opportunities for entrepreneurs at various stages of the value chain (Invest India, 2026).

Progress has been steady. In February 2026, Prime Minister Narendra Modi inaugurated Micron Technology's ATMP facility in Sanand, Gujarat. The following month, he inaugurated the Kaynes Semicon OSAT facility at the same location, with a production capacity of approximately 6 million chips per day (ISM, 2026). CG Power's OSAT pilot facility, supported by an investment of over ₹7,600 crore, is now operational. The G1 unit currently processes 0.5 million units daily, while the G2 facility under construction is expected to handle 14.5 million units per day and generate more than 5,000 jobs (PIB, 2025).

The Design Linked Incentive (DLI) Scheme has been instrumental in building a fabless design ecosystem. As of January 2026, 24 semiconductor design startups have been supported under this scheme, attracting nearly ₹430 crore in venture funding. The Advanced EDA platform has recorded approximately 2.25 crore tool hours (PIB, 2026). The Union Budget 2026-27 introduced ISM 2.0 with an allocation of ₹1,000 crore, targeting equipment and materials manufacturing, indigenous design IP, supply chain development, and industry-backed research centres (Ministry of Finance, 2026). The expansion of the Electronics Components Manufacturing Scheme (ECMS) to ₹40,000 crore provides additional support for component-level entrepreneurship (Union Budget, 2026-27).

1.6 Defense Industrial Corridors and the Rise of Defence-Tech Entrepreneurship

India's defense industry has shifted from heavy import reliance to an ecosystem where startups and MSMEs now play an important role (Ministry of Defense, 2025). Two Defence Industrial Corridors (DICs) have been set up, one in Uttar Pradesh (covering Lucknow, Kanpur, Agra, Aligarh, Jhansi, and Chitrakoot) and another in Tamil Nadu (linking Chennai, Coimbatore, Hosur, Salem, and Tiruchirappalli), spurring a new wave of defence-tech ventures (Make in India, 2025). By 2025, these corridors had attracted investment commitments of over ₹53,000 crore, including signed MoUs and proposals, and are projected to generate more than 50,000 jobs (PIB, 2025). The UP corridor alone has seen proposals worth nearly ₹30,000 crore, 170 MoUs, and land allotted to 57 companies (UPEIDA, 2025).

The Innovations for Defense Excellence (iDEX) initiative has been central to this shift. More than 2,000 defence startups and 300 space startups are now working on everything from drones and autonomous systems to AI-based surveillance, quantum key distribution, and

advanced propulsion (iDEX, 2026). The Defence India Startup Challenge (DISC) has run 14 editions, offering grants of up to ₹10 crore through iDEX PRIME and ₹25 crore through ADITI. Defence exports have grown nearly 15-fold from ₹1,521 crore in 2016-17 to a record ₹23,622 crore in FY 2024-25, marking India's shift from a net importer to a growing exporter (Ministry of Defence, 2025; PIB, 2025). By H1 2025, Indian defence-tech startups had cumulatively raised $432 million, with drones and anti-drone tech accounting for 71% of total funding (Inc42, 2025).

The corridors provide ready-to-use infrastructure, streamlined approvals, and financial incentives that have made it easier for MSMEs and startups to enter this space. Engineers in these regions are building supersonic missiles, next-gen drones, autonomous combat vehicles, and AI-driven defence systems. Firms like Tonbo Imaging and QNu Labs, the latter achieving record distances in Quantum Key Distribution show that Indian startups can hold their own on the global stage. India's defence budget for 2025-26 stands at ₹6.81 lakh crore (approximately $78.7 billion), up 9.53% from the previous year, with the Ministry targeting 70% indigenisation and $25 billion in annual production (PIB, 2025).

1.7 Circular Economy: Entrepreneurship for Sustainability and Resource Efficiency

India’s industrial model is in the middle of a slow but meaningful pivot, away from the linear take-make-dispose pattern and toward a circular economy that keeps materials in productive use for as long as possible, recovering value before anything reaches a landfill (Kambanou, 2025; Ranta et al., 2018). This shift is expected to unlock a market worth over $2 trillion and create nearly 10 million jobs by 2050 (MoEFCC, 2025). For entrepreneurs, this opens up opportunities in waste management, sustainable manufacturing, resource recovery, and green tech.

Policy support has been essential. The National Resource Efficiency Policy, EPR rules for e-waste and plastics, Mission LiFE, and Swachh Bharat Abhiyan's waste-to-wealth model have together built a regulatory base for circular economy startups (PIB, 2025). India hosted the 12th Regional 3R and Circular Economy Forum in Jaipur in March 2025 and is bidding to host the World Circular Economy Forum 2026 (MoEFCC, 2025). Under the Smart Cities Mission, the CITIIS 2.0 programme is embedding circular economy thinking into urban development, with 18 cities in 14 states chosen as Lighthouse Projects (MoHUA, 2024).

Startups in this space are coming up across the country. In the North-East, the Prakriti Incubation Launchpad, run with IIM Calcutta Innovation Park, recently backed 12 circular economy ventures employing 295 people, including 185 women (Pernod Ricard India Foundation & IIMCIP, 2026). Bengaluru is set to host the Circular Economy Innovation Cluster (CEIC) programme in 2026 (Climate KIC, 2026). Ventures working in textiles, agriculture, construction waste, plastic upcycling, and bio-materials are drawing investor interest. Advances in AI-powered waste sorting and blockchain-based supply chain tracking are making circular economy businesses both viable and impactful (CSE, 2024; von Kolpinski et al., 2023).

1.8 The Care Economy: A New Frontier of Service-Led Entrepreneurship

Something notable happened in the Union Budget 2026-27: caregiving was recognised, for the first time in a budget document, as skilled and professional work, not merely an extension of unpaid family obligation (Ministry of Finance, 2026). This recognition has turned the care economy into a growing space for entrepreneurs, covering healthcare, eldercare, childcare, mental health, and wellness. The budget outlined plans to train 1.5 lakh caregivers, establish regional medical tourism hubs, expand mental health services through NIMHANS-2, and launch the ₹10,000 crore Biopharma SHAKTI programme aimed at positioning India as a global centre for biologics and biosimilars (Union Budget, 2026-27; IBEF, 2026).

The care economy sits at a crossroads of demographic pressure and technological possibility. India's population is ageing, chronic illness is on the rise, and a growing middle class expects higher standards of care than previous generations would have demanded. Together, these forces are creating steady, structural demand for new services and solutions (KPMG, 2026). Healthtech startups are applying AI to diagnostics, telemedicine platforms are extending specialist consultations to smaller towns, and medtech companies are developing affordable devices tailored to Indian needs. The government sees India as a potential global care destination, one that combines clinical expertise with hospitality to attract medical tourists. With more than 100,000 new allied health professionals entering the workforce, growing investment in AYUSH, and expanding digital health infrastructure, the care economy now offers entrepreneurs opportunities across prevention, treatment, rehabilitation, and wellness (Union Budget, 2026-27; PwC India, 2026).

1.9 Digital Infrastructure and the Democratization of Entrepreneurship

Digital infrastructure has been, in many ways, the great equaliser for Indian entrepreneurship. Affordable high-speed internet, pushed forward by the Digital India program, has narrowed the digital divide enough that entrepreneurs in small towns and semi-urban India can now meaningfully participate in the startup economy (Economic Survey of India, 2024). Systems like UPI (Unified Payments Interface) and Aadhaar have reshaped financial access and identity verification, removing barriers for new entrepreneurs and encouraging innovation across sectors. Digital payment volumes grew from ₹1 lakh crore in 2017-18 to ₹200 lakh crore in 2023-24 (Ministry of Finance, 2024)

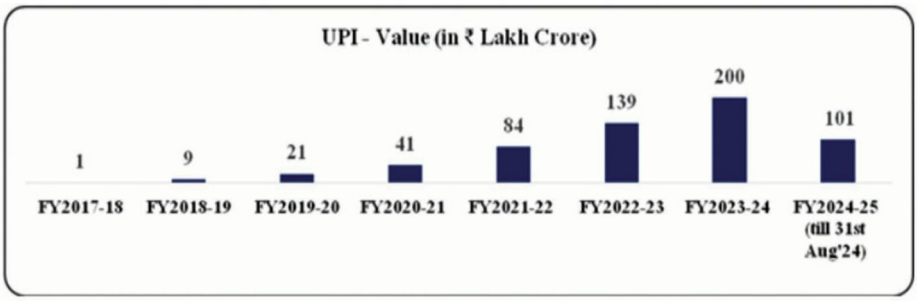


Figure 1.6 UPI payment

Source: *NPCI*

UPI has fundamentally altered the mechanics of money in India. Instant, real-time transfers between bank accounts are faster, simpler, and cheaper than anything that came before, and have become the default for millions. Transaction volumes rose from 2,071 crore in FY 2017-18 to 18,737 crore in FY 2023-24, a compound annual growth rate (CAGR) of 44%. In just the first five months of FY 2024-25 (April-August), volumes had already reached 8,659 crore (Ministry of Finance, 2024).

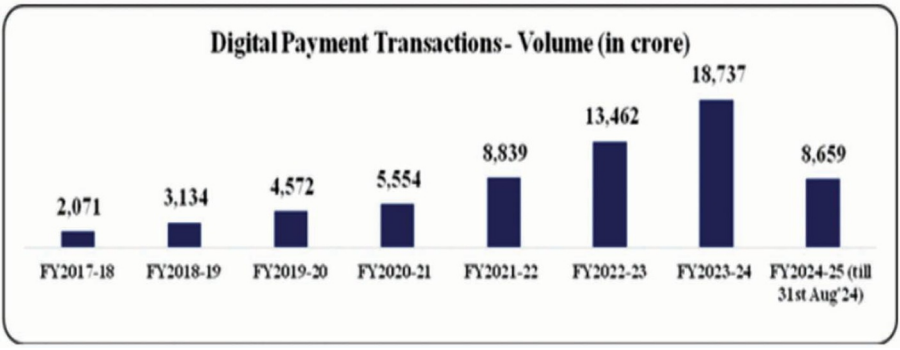


Figure 1.7 Digital payment transaction - Volume (in crore)

Source: *RBI, NPCI & Banks*

The value of these transactions has also grown steadily, from ₹1,962 lakh crore in FY 2017-18 to ₹3,659 lakh crore in FY 2023-24, reflecting a CAGR of 11%. In the first five months of

FY 2024-25, the figure stood at ₹1,669 lakh crore. This growth shows how digital payments have changed the way individuals and businesses handle money, making transactions faster and more accessible (Ministry of Finance, 2024).

Technologies like cloud computing, big data, and advanced payment gateways have also helped startups scale more efficiently. Digital platforms now allow small business owners and artisans to reach customers across the country and beyond, improving their earnings and business reach. The government's Common Service Centres (CSC) initiative supports rural entrepreneurs through 4,56,579 functional centres, which have processed 369.90 lakh transactions covering e-governance, financial services, and skill development (Economic Survey, 2024).

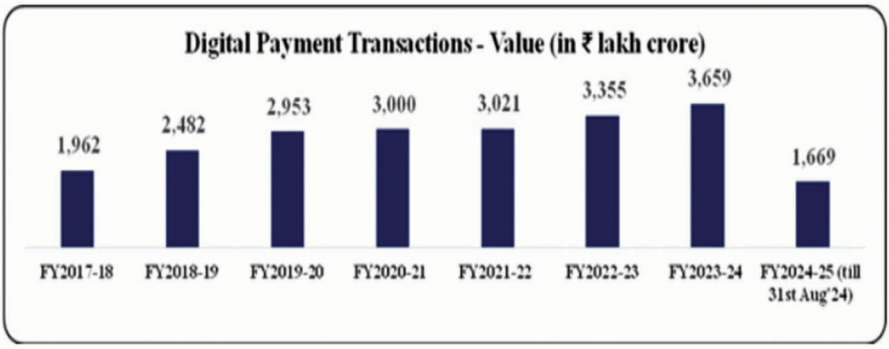


Figure 1.8 Digital payment transaction - Value (in lakh crore)

Source: *RBI, NPCI & Banks*

The net effect of all this digital progress is that entrepreneurship has become far more accessible than it used to be. The startup ecosystem is no longer the preserve of founders in Bengaluru or Mumbai; it now reaches into communities that were previously excluded from the innovation economy. This broadening of access is perhaps the strongest argument for India's claim to be building a genuinely inclusive entrepreneurial environment.

1.10 Global Ambitions and Attracting International Investment

Global investors have taken notice. India's startup ecosystem now attracts serious international attention not out of charity, but because the combination of a deep technical workforce and lower development costs makes it one of the most compelling destinations for

venture capital and private equity. In 2024, Indian startups raised over $11.3 billion in funding, up from $10.7 billion in 2023, with a large share coming from global venture capital and private equity firms (Tnn, 2024). This rise in foreign direct investment (FDI) reflects growing confidence among international investors in what Indian startups can achieve.

Indian companies are also stepping onto the global stage with growing confidence, with many now operating across North America, Europe, and Southeast Asia. Firms like Blinkit, Zepto, PhysicsWallah, and Paytm have demonstrated that Indian ventures can go toe-to-toe with global competitors in edtech, SaaS, and fintech. Strategic partnerships with multinational corporations and participation in international innovation platforms have reinforced India's standing. What gives these ventures their edge is the ability of Indian founders to build solutions rooted in local reality that turn out to have global relevance (MeitY, 2023).

1.11 Outlook: Positioning India as a Global Powerhouse

India’s trajectory in entrepreneurship and innovation points in one clear direction: toward greater global weight. A young, digitally native population, policy frameworks that have matured through trial and error, and a venture capital ecosystem that is finally approaching sophistication, these are not hypothetical advantages. They are already generating results. The convergence of frontier technologies, AI and machine learning, semiconductor design, quantum computing, and green technologies, with strategic national missions, is creating an unprecedented entrepreneurial moment. India’s AI market is projected to reach $17 billion by 2027, its semiconductor market is expected to cross $100 billion by 2030, defence exports have surged 15-fold in less than a decade, and the circular economy promises a $2 trillion market opportunity by 2050. The care economy, recognized for the first time in the Union Budget 2026 as a formal sector of skilled employment, adds yet another dimension to India’s entrepreneurial canvas. The Union Budget 2026-27 reinforces this trajectory with the ₹10,000 crore SME Growth Fund, an additional ₹2,000 crore to the Self-Reliant India Fund, ISM 2.0 for semiconductors, and zero-tax incentives for data centres until 2047. As India continues emphasizing sustainability, inclusivity, and digital transformation, its entrepreneurial ecosystem is well-equipped to address some of the world’s most pressing challenges. The global growth can be seen through India’s strength, i.e., MSME, and overall exports have increased by three times, as shown in Figure 1.9.

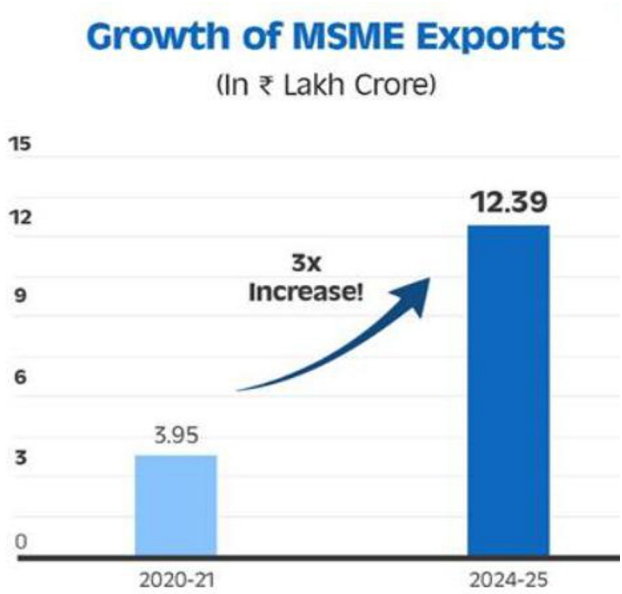


Figure 1.9 Growth of MSME Export (From left 2020-21 to 2024- 25)

Source: PIB

While the journey is not without its challenges, particularly in addressing infrastructural bottlenecks and sectoral disparities, the progress made thus far is a testament to the resilience and adaptability of Indian entrepreneurs. Continued focus on public-private collaboration and the adoption of new technologies will help India stay competitive in global innovation. The scope of entrepreneurial activity in 2026 is broader and more varied than before, sovereign AI models now support governance in 22 Indian languages, semiconductor facilities produce millions of chips each day, defence startups are building advanced UAVs and quantum security systems, circular economy ventures are converting waste into usable resources, care economy platforms are extending specialist healthcare to remote areas, and Tier 2 and Tier 3 cities are becoming active startup centres.

The India AI Impact Summit 2026, which saw multi-year investment pledges totalling $200 billion from leading global technology firms, underlined India's shift from a services-driven economy to a recognised innovation hub. By aligning its entrepreneurial goals with global priorities and developing domestic capabilities in critical sectors, India is well placed to reshape how it is seen on the world stage, not simply as an emerging market, but as a country helping define the future of innovation and enterprise (Ministry of Statistics & Programme Implementation, 2024; Economic Survey, 2024; Union Budget, 2026).

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