Government Schemes & Policies

Supporting Startups & Entrepreneurs in Maharashtra

A Comprehensive Review of State Startup Policies, MSME Schemes, Funding Programs, Incubation Support, and Ecosystem Enablers

PART 3 | Introduction: The Entrepreneurial Momentum

Maharashtra, home to India's commercial heartland and the country's most industrialised economy, has long been ground zero for entrepreneurial ambition. From the trading floors of Dalal Street to the technology corridors of Pune, the state accounts for nearly 18 percent of India's total startup ecosystem — a statistic that underscores not merely geography but an entrenched culture of enterprise.

What has changed dramatically over the past decade is the architecture of support surrounding this culture. Entrepreneurship in earlier decades was largely self-propelled, driven by personal capital, family networks, or the occasional bank loan. Today, it operates within an expanding scaffold of government policy, institutional funding, academic incubation, and regulatory reform. The transformation has been decisive.

Policymakers have come to recognise what economists have argued for years: startups are disproportionate creators of employment, innovation, and export potential. The rise of digital infrastructure — cheap broadband, smartphone penetration, payment gateways — has democratised access to markets and lowered the barriers for first-generation founders, many of whom are from Tier 2 cities and rural backgrounds. Government intervention, when properly calibrated, acts as the decisive accelerant in this equation.

The regional startup ecosystem now spans fintech, agritech, health technology, clean energy, EdTech, logistics, and advanced manufacturing. Incubators are embedded in universities. Seed funds are administered by statutory bodies. Regulatory procedures have been digitised. And an increasingly sophisticated investor community — both domestic and foreign — is deploying capital into ventures that would have struggled to find backing just a few years ago.

This report examines the full landscape of government schemes and policy frameworks supporting startups and entrepreneurs. It analyses flagship initiatives from both state and central governments, dissects funding mechanisms, evaluates the role of incubation networks, and profiles ecosystem enablers like Niir Project Consultancy Services (NPCS) that help translate policy intent into business reality. For every aspiring entrepreneur, policy analyst, or industry observer, this is the definitive guide to the opportunity that lies ahead.

PART 4 | The Startup Ecosystem: Structure, Scale & Sectors

Economic Foundations of the Regional Entrepreneurial Landscape

According to state budget documents and the Reserve Bank of India, the regional economy has a Gross State Domestic Product estimated at approximately ₹49.39 trillion (USD 578 billion) in 2025–26, making it the largest state economy in India. This economic depth creates fertile ground for startups — not just because capital is accessible, but because the region offers the customer density, supply chain infrastructure, and institutional connectivity that early-stage companies desperately need.

The Department for Promotion of Industry and Internal Trade (DPIIT) reports that between October 2019 and December 2024, the state attracted FDI inflows worth hundreds of billions of rupees, reinforcing its position as the preferred destination for foreign investors and multinational expansion.

Key Sectors Driving Startup Activity

The entrepreneurial landscape is far more diversified than popular perception suggests. Financial technology remains the marquee sector — Mumbai's deep financial ecosystem and the density of banking headquarters, insurance companies, and capital market infrastructure make it the natural home for fintech experimentation. Companies like Upstox and Dhan — both headquartered here — have grown into billion-dollar enterprises by reimagining how retail investors participate in markets.

Beyond fintech, agritech is attracting attention in regions beyond the metros, where startups are digitising farm supply chains, offering precision agriculture tools, and building direct farmer-to-consumer channels. Health technology, particularly post-pandemic, has seen a surge of ventures offering telemedicine, diagnostics, and medical supply chain optimisation. Clean energy, logistics, EdTech, and deep-tech manufacturing round out an ecosystem that is increasingly multidimensional.

Sector	Key Activity	Notable Trend
Fintech	Payments, lending, wealth management	Rapid retail investor growth
Agritech	Precision farming, supply chain digitisation	Rural founder emergence
Health Tech	Telemedicine, diagnostics, hospital SaaS	Post-COVID demand surge
Logistics	Quick commerce, last-mile delivery	Urban density advantage
Clean Energy	Solar, EV, energy storage startups	Policy-driven growth
EdTech	Test prep, skilling, corporate learning	Vernacular language pivot
Defence & Drones	Nagpur corridor, aerospace startups	New sector incentives
Gaming & AI	Online skill gaming, generative AI apps	Growing VC interest

The investment environment has matured correspondingly. Mumbai alone is home to 32 startup soonicorns — companies valued between $200 million and $1 billion — according to Inc42's tracker. With unicorns like Dream11, Games24x7, Purplle, FirstCry, Upstox, and OneCard all headquartered in the state, the region consistently ranks second nationally in unicorn production, trailing only Bengaluru.

PART 5 | Government Schemes & Policy Frameworks

Few states in India have assembled as comprehensive a policy architecture for startups as this one. The support ecosystem operates on two tracks — state government initiatives tailored to regional priorities, and central government schemes available to entrepreneurs nationwide. Understanding both layers, and how they interact, is essential for any entrepreneur seeking to build a fundable, policy-compliant venture.

5.1 Maharashtra Startup, Entrepreneurship & Innovation Policy 2025

Flagship Policy: Maharashtra Startup, Entrepreneurship & Innovation Policy 2025

OBJECTIVE: Position the state as a top-3 global destination for innovation and entrepreneurship.

TARGET: Nurture 1.3 lakh entrepreneurs and recognise up to 50,000 startups within five years.

ANCHOR BODY: Maharashtra State Innovation Society (MSInS) — the designated implementation agency.

INVESTMENT: Rs.500 crore Maha-Fund corpus for early-stage entrepreneurs.

INFRASTRUCTURE: 300-acre Maharashtra Innovation City bringing startups, corporates, academia and government under one roof.

The 2025 policy represents the most ambitious articulation of the state's entrepreneurial vision to date. It consolidates multiple earlier schemes into a coherent framework organised around five priorities: funding, incubation, innovation infrastructure, regulatory ease, and inclusive entrepreneurship.

At its core is the Maha-Fund — a Rs.500 crore corpus that will back 25,000 entrepreneurs drawn from a pool of 5 lakh eligible youth through a three-stage selection process involving assessment, mentoring, incubation, and funding. The selection methodology is designed to surface talent from districts and communities that have historically been underserved by private capital.

The policy is administered through the Maharashtra State Innovation Society (MSInS), which serves as the state's nodal agency for startup recognition, incubator support, and scheme implementation. Entrepreneurs must first obtain a Maharashtra Startup ID from MSInS before proceeding to any financial assistance application.

5.2 Chief Minister's Innovator Scheme

One of the most accessible new instruments introduced under the 2025 policy framework, the CM Innovator Scheme offers collateral-free loans ranging from Rs.5 lakh to Rs.10 lakh to technically skilled youth — including ITI graduates, 10th-pass candidates, and beneficiaries of the Vishwakarma scheme — registered as 'pre-innovators.' The government subsidises 50 percent of the interest liability, and a one-year repayment moratorium is built in to reduce pressure on early ventures. Subsidies are routed directly to financial institutions rather than individuals, reducing leakage and ensuring capital reaches the business.

5.3 Chief Minister Employment Generation Programme (CMEGP)

CMEGP — At a Glance

Objective: Generate employment through Micro & Small Enterprises (project cost up to Rs.50 lakhs).

Benefits: Credit-linked subsidy; no collateral requirement for eligible ventures.

Implementing Agency: Directorate of Industries (DOI), through District Industries Centres (DICs).

Eligibility: Udyam-registered businesses; SC/ST, women, and rural applicants receive priority.

Application: Online via DOI portal, coordinated through DICs and KVIB.

Impact: Thousands of micro-enterprises activated across districts, with special quotas for marginalised communities.

CMEGP is one of the most widely accessed state-level schemes for first-generation entrepreneurs. It bridges the gap between aspiration and execution for founders who lack collateral but have viable business ideas in manufacturing, services, or agro-processing.

5.4 Prime Minister's Employment Generation Programme (PMEGP)

Administered nationally by the Khadi and Village Industries Commission (KVIC) and operationalised through state-level DICs, PMEGP provides credit-linked subsidies for new micro-enterprises. General category entrepreneurs receive a 15 percent subsidy; women entrepreneurs, SC/ST applicants, and special category applicants receive 25 percent — making PMEGP particularly valuable for decentralised entrepreneurship in the state's smaller districts and agrarian zones.

5.5 Maharashtra Startup Week

The Maharashtra Startup Week (MSW) is a competitive annual event that doubles as a procurement gateway. Startups selected during this event are offered pilot work orders from government departments worth up to Rs.25 lakh — a form of revenue-based support that reduces early cash-flow pressure without diluting equity. To participate, ventures must hold DPIIT recognition, have a deployment-ready Minimum Viable Product, and propose solutions that address actual government service delivery challenges.

5.6 Stand-Up India & DIC Loan Scheme

Administered by SIDBI and scheduled commercial banks, Stand-Up India provides loans between Rs.10 lakh and Rs.1 crore to at least one woman and one SC/ST entrepreneur per bank branch for greenfield enterprises. The DIC Loan Scheme, meanwhile, delivers low-interest, collateral-free financing to cottage industries and micro-enterprises in semi-urban and rural parts of the state — a critical bridge for artisan entrepreneurs and village-level service providers who lack access to mainstream banking.

5.7 Departmental Innovation Fund & Smart Solar Rooftop Scheme

Under the 2025 policy framework, every state department is mandated to allocate 0.5 percent of its annual budget to innovation and entrepreneurship, creating a distributed pool of procurement and piloting opportunities for startups within the government's own service ecosystem. Separately, the Smart Solar Rooftop Scheme (2025–27) allocates Rs.655 crore for solar installations — directly creating business opportunities for clean energy startups — while the Nagpur Defence and Drone Corridor is being developed as a dedicated hub for aerospace and defence manufacturing ventures.

Scheme	Target Group	Financial Support	Key Benefit
Maha-Fund (2025)	Youth entrepreneurs (25,000)	Rs.500 crore corpus	3-stage mentoring + funding
CM Innovator Scheme	ITI / Vishwakarma youth	Rs.5–10 lakh collateral-free	50% interest subsidy, 1-yr moratorium
CMEGP	Micro & small enterprises	Up to Rs.50 lakh	Credit-linked subsidy
PMEGP	General & priority categories	15–25% subsidy	Rural & women priority
Stand-Up India	Women, SC/ST founders	Rs.10 lakh – Rs.1 crore	Greenfield enterprise loan

Scheme	Target Group	Financial Support	Key Benefit
DIC Loan Scheme	Cottage & small industries	Low-interest loans	Collateral-free, rural focus
Startup Week	DPIIT-recognised startups	Work orders up to Rs.25 lakh	Government procurement access
Incubator Fund	Colleges & private incubators	Up to Rs.5 crore per centre	Infrastructure + mentoring

PART 6 | How NPCS Helps Entrepreneurs Start a New Business

Amid the labyrinth of government schemes, incubation programs, and regulatory requirements, one challenge remains consistent for most aspiring entrepreneurs: the distance between a business idea and a commercially viable enterprise is not just financial — it is informational. This is the precise gap that Niir Project Consultancy Services (NPCS) has spent decades filling.

Established under the umbrella of the National Institute of Industrial Research (Niir), NPCS functions as India's most comprehensive repository of industrial and entrepreneurial knowledge. Its services touch every stage of the entrepreneurial journey — from ideation and feasibility to funding guidance, compliance, and market entry.

Project Reports & Business Consultancy

The cornerstone of NPCS's offering is its library of over 3,000 detailed project reports covering manufacturing, processing, services, food, chemicals, textiles, agro-based industries, and more. Each report contains market demand analysis, raw material sourcing, machinery specifications, plant layout, capital cost estimation, profitability projections, and financial ratios — essentially the complete blueprint a first-time entrepreneur needs to approach a bank, incubator, or angel investor with credibility. Banks and financial institutions routinely accept NPCS project reports as part of loan application documentation.

Feasibility Studies & Market Research

Beyond ready-made reports, NPCS conducts customised feasibility studies for businesses at the concept stage. These studies assess technical viability, market size, competitive dynamics, regulatory constraints, and financial risk — giving entrepreneurs a rigorous, investor-grade analysis before they commit capital. In a funding environment where detailed documentation is a prerequisite for scheme eligibility, this capability is especially valuable.

Manufacturing Opportunities, Licensing & Financial Guidance

For entrepreneurs who have not yet settled on a business idea, NPCS offers structured guidance on manufacturing and processing opportunities aligned with market demand — analysing emerging sectors like organic food products, biodegradable packaging, herbal personal care, industrial chemicals, and renewable energy components. The organisation also provides machinery specifications, raw material sourcing maps, licensing and compliance guidance (FSSAI, BIS, Pollution NOC, Factory Act, GST, Udyam registration), and financial planning tools including break-even analysis, ROI projections, and working capital estimates.

How NPCS Supports the Entrepreneurial Journey — End to End

- Detailed Project Reports (DPRs) for 3,000+ industries — bank-ready, investor-ready.
- Custom Feasibility Studies: Technical, financial, and market viability assessments.
- Market Research Support: Demand analysis, competitor mapping, pricing benchmarks.

- Machinery Guidance: Specifications, supplier identification, capacity planning.
- Raw Material Sourcing: Input cost analysis, supplier geography, quality standards.
- Licensing & Compliance: FSSAI, BIS, Pollution NOC, Factory Act, GST, MSME registrations.
- Financial Planning: Break-even analysis, ROI projections, working capital estimates.
- Investment Guidance: Linking entrepreneurs to PMEGP, CMEGP, MUDRA, CGTMSE, and state scheme eligibility.
- MSME Startup Support: Udyam registration, scheme identification, documentation support.
- First-Time Entrepreneur Assistance: Concept validation, stepwise launch guidance, mentor referrals.

What distinguishes NPCS from generic consultancy is depth. A textile entrepreneur in Ichalkaranji or a food processor in Nashik can access the same quality of industrially validated, technically accurate guidance that a large corporate would commission at a fraction of the cost. NPCS's digital platforms — www.niir.org and www.entrepreneurindia.co — make professional-grade business planning accessible from any district in the country.

PART 7 | Incubators, Universities & Innovation Support

The state's incubation ecosystem has grown from a handful of technology parks in the early 2000s into a distributed network that now spans universities, polytechnics, ITIs, and private accelerators. Under the 2025 policy framework, incubation centres can access grants of up to Rs.5 crore from MSInS, with structured criteria based on startup intake, mentorship provision, IP generation, and revenue linkages.

Maharashtra State Innovation Society (MSInS)

The Maharashtra State Innovation Society (MSInS) functions as the apex body for the state's startup ecosystem. It manages the Startup ID program, administers incubator grants, runs the Maharashtra Startup Week, oversees the Women Entrepreneurship Cell, and provides patent support grants of up to Rs.2 lakhs for domestic patents and Rs.10 lakhs for international patents.

Women Entrepreneurship Cell (WEC)

Launched in January 2021, the Women Entrepreneurship Cell within MSInS maintains a focused mandate to support women founders. It has established a dedicated women-focused incubator in partnership with SNDT Women's University in Mumbai — running accelerator programs, providing mentorship and investor connects, and enabling market access. Programs like 'Hirkani Maharashtrachi' specifically target rural women entrepreneurs, providing structured handholding for founders who may lack business experience or formal education.

IIT Bombay, Pune Tech Parks & Micro-Incubators

IIT Bombay's Society for Innovation and Entrepreneurship (SINE) is among the country's most respected technology incubators, having spawned dozens of deep-tech startups. Pune's Symbiosis, MIT World Peace University, and College of Engineering Pune all have active incubation programs. One of the more operationally significant features of the 2025 policy is the mandate to establish micro-incubators within every ITI and polytechnic across the state — bringing incubation support to Tier 2 and Tier 3 cities and making the entrepreneurial opportunity accessible to technically skilled youth who have historically been geographically excluded from the innovation economy.

Maharashtra Innovation City (MIC)

The 300-acre Maharashtra Innovation City represents the most ambitious physical infrastructure investment in the state's startup history. Conceptualised as a unified campus for startups, corporations, academic institutions, and government agencies, MIC is designed to foster collaborative R&D, prototype development, and innovation financing. Entry to MIC will be competitive, with selection based on technology readiness, market potential, and collaborative contribution to the broader innovation cluster.

PART 8 | Challenges & Opportunities: An Honest Assessment

Challenges That Persist

Despite the policy momentum, several structural challenges continue to constrain the entrepreneurial landscape. Funding remains concentrated in a handful of sectors and geographies — fintech and consumer tech in Mumbai and Pune attract the bulk of venture capital, while deep-tech manufacturing, agritech, and rural enterprise remain underleveraged. Most early-stage ventures still lack access to patient capital in the Rs.25 lakh to Rs.2 crore range — precisely the zone where CMEGP and DIC loans operate, but where institutional delays can be most damaging to cash-sensitive founders.

Regulatory compliance, while improving, still requires entrepreneurs to navigate multiple agencies across taxation, environment, labour, and food safety without adequate single-window integration at the district level. Infrastructure gaps in Tier 2 and Tier 3 cities — reliable power, industrial sheds, logistics connectivity — continue to disadvantage manufacturing-oriented startups. Talent retention also poses a structural problem: skilled engineers and designers gravitate toward established companies or metro-based startups, creating a perpetual talent deficit for early-stage ventures outside major cities.

Opportunities Opening Up

Yet the opportunity landscape has rarely been more favourable. The state's GCC Policy 2025 — which targets 400 new Global Capability Centres with Rs.50,000 crore in investment and 4 lakh jobs — creates enormous demand for technology services, SaaS platforms, and enterprise solutions that homegrown startups can supply. The Nagpur Defence Corridor could transform the state into a significant aerospace and defence manufacturing hub, with a dedicated ecosystem of component suppliers, software developers, and systems integrators.

The government's mandated innovation budget — 0.5 percent of each department's annual funds — creates a structural, recurring demand for startup solutions in education, health, municipal services, and agriculture. This 'government as first customer' model has proven transformative in other ecosystems and could significantly accelerate adoption timelines for the state's more innovative ventures. Internationally, the state's financial infrastructure and English-language proficiency position it well to attract cross-border partnerships in climate technology, biotechnology, and digital health.

Challenge	Current Status	Policy Response
Early-stage funding gap	Rs.25L–Rs.2Cr range underserved	Maha-Fund, CM Innovator Scheme
Geographic concentration	Mumbai-Pune centric	District hubs, micro-incubators
Regulatory complexity	Multi-agency processes	Single-window digital reforms
Talent shortage in Tier 2	Migration to metros persists	Local incubation at ITIs
Low IP generation	Below global benchmarks	Patent grants up to Rs.10L
Rural entrepreneur access	Historically underserved	WEC, Hirkani, pre-innovator scheme

PART 9 | Success Stories: Proof of the Ecosystem

Upstox: Democratising Investment from Mumbai

When Ravi Kumar and Kavitha Subramanian built Upstox — a low-cost, mobile-first brokerage platform headquartered in Mumbai — they were betting that millions of Indians would manage their own investments if given the right tools at the right price. That bet has paid off spectacularly. Upstox became a unicorn in 2021 following investment by Tiger Global, reaching a valuation of $3.4 billion. Now one of India's largest retail brokerage platforms, Upstox's success story is inseparable from Mumbai's financial ecosystem, which provided regulatory proximity, banking partnerships, and a dense talent pool of finance professionals.

OneCard: Reimagining Credit from Pune

Pune-based OneCard — founded by banking veterans Anurag Sinha, Rupesh Kumar, and Vaibhav Hathi — achieved unicorn status in 2022 at a valuation of $1.4 billion. The company reimagined the credit card experience for a digital-native generation, offering a premium metal card with a fully app-driven interface. What is notable is that it emerged from Pune's engineering ecosystem rather than Mumbai's financial district — suggesting the state's entrepreneurial geography is genuinely diversifying.

FirstCry: Building India's Largest Parenting Platform

Supam Maheshwari co-founded FirstCry in Pune in 2010 to address a gap he identified as a parent: the absence of a reliable, comprehensive marketplace for baby and child products in India. Over fifteen years, FirstCry has grown into a publicly listed enterprise with 380-plus retail stores, partnerships with 70,000 new parents every month through hospital programs, and over 100,000 products from more than 1,000 brands — a testament to patient, long-duration building from a regional base.

Games24x7: The Skill Gaming Pioneer

Founded in 2006 by Bhavin Pandya and Trivikraman Thampy, Games24x7 built a multi-game skill gaming platform through RummyCircle and My11Circle. The Mumbai-headquartered company entered the unicorn club in March 2022 at a valuation of $2.5 billion — a journey that required nearly 16 years of building and iterating. Its story is a reminder that sector-specific regulatory patience can ultimately reward disciplined builders.

PART 10 | Conclusion: Policy, Possibility & the Path Forward

The arc of entrepreneurship policy in the state has moved decisively from passive support to active ecosystem building. Where earlier interventions offered credit and subsidies at the margins, the 2025 framework — anchored by the Maha-Fund, Maharashtra Innovation City, and a mandatory departmental innovation budget — reflects a more systemic understanding of how enterprises are born, scaled, and sustained.

This evolution matters for several reasons. A well-designed policy ecosystem doesn't merely support entrepreneurs — it creates them. By embedding incubation capacity in ITIs and polytechnics, the regional government is reaching technically skilled young people who may never have considered entrepreneurship as a viable path. By mandating that every government department allocate procurement budgets to startup pilots, it is creating artificial demand that de-risks the earliest and most vulnerable phase of a new venture.

The challenges that remain — geographic concentration, funding gaps in the middle stage, regulatory fragmentation, and rural talent drain — are real and consequential. But they are also increasingly recognised, which is itself progress. Policy acknowledgment is typically the precursor to policy action, and the trajectory of reform in this region over the past three years provides reasonable grounds for optimism.

For entrepreneurs navigating this landscape, ecosystem enablers like Niir Project Consultancy Services (NPCS) serve a critical bridging function. Government policies, however well-designed, cannot by themselves translate intent into commercially viable ventures. What converts a policy opportunity into a funded business is the quality of the project report, the rigour of the feasibility study, the accuracy of the market research, and the completeness of regulatory compliance — precisely the terrain where NPCS has built its expertise over decades.

The story of entrepreneurship in this region is still being written. The next chapter will be defined not by the schemes themselves, but by how effectively the ecosystem enables individuals — in Mumbai's tech districts, Pune's engineering colleges, Nashik's agro-processing clusters, and Nagpur's emerging drone corridor — to transform ideas into enterprises that create employment, generate exports, and build lasting value for the Indian economy.

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