

## India's Tech Start-ups at a Strategic Inflection Point as Funding Rises to \$9.1 Bn: Nasscom – Zinnov Tech Start-up Report 2026

*DeepTech Funding Surges 37% to \$2.3 Bn; AI Drives Capital Deployment and Innovation Momentum*

**New Delhi, Wednesday 25<sup>th</sup> February, 2026:** Nasscom, in collaboration with Zinnov, today unveiled its latest report titled “**Momentum to Maturity: India’s Start-up Ecosystem at a Strategic Inflection Point – Indian Tech Start-up Report 2025,**” offering an in-depth analysis of the evolving dynamics of India’s technology start-up ecosystem and the structural shifts shaping its next phase of growth.

India’s technology start-up ecosystem is transitioning from volume-driven expansion to execution-led maturity. **In 2025, Indian tech start-ups raised \$9.1 billion, marking a 23% year-on-year increase,** even as capital became more selective, milestone-linked, and increasingly concentrated in scalable, commercialization-ready ventures.

In line with global investment patterns, venture capital in India is now prioritizing validated business models, clear pathways to monetization, and demonstrated execution capability. While funding discipline has strengthened, entrepreneurial depth remains robust, with 74% of total deal activity concentrated at the Seed and Early stages, reinforcing the strength of India’s innovation pipeline.

DeepTech continued to emerge as a defining pillar of India’s innovation trajectory. India now hosts **over 4,200 DeepTech start-ups,** including more than 550 founded in 2025 alone, reflecting continued momentum in advanced technology development. In 2025, DeepTech start-ups raised **\$2.3 billion in funding, up 37% year-on-year,** demonstrating sustained investor confidence in frontier technologies despite a more selective capital environment. AI remained the central driver of DeepTech growth, accounting for **84% of DeepTech start-ups and 91% of DeepTech funding,** with AI increasingly embedded across multiple industry verticals and enterprise applications.

With an estimated **31,000–34,000 start-ups,** new venture formation is increasingly concentrated in established hubs and proven sectors, highlighting investor preference for infrastructure readiness, talent density, and faster commercialization pathways.

The ecosystem recorded over 140 technology M&A deals in 2025, nearly double that of 2024. Indian corporates accounted for approximately 36% of total M&A activity, underscoring the rise of capability-led acquisitions as enterprises look to build rather than outsource innovation. Innovation activity also accelerated meaningfully, with start-up patent filings rising **approximately 68% since 2020–21,** indicating growing productization and intellectual property creation across emerging technology domains.

**Rajesh Nambiar, President, Nasscom,** said, “*India’s start-up ecosystem is entering a more disciplined phase of growth, and AI is clearly at the centre of this transition, emerging as core*

infrastructure for India's next innovation cycle. This signal growing global confidence in India's ability to build, deploy, and commercialize AI at scale across sectors ranging from enterprise software and cybersecurity to defense and industrial systems. The next chapter will be defined by how effectively we translate AI innovation into market adoption, intellectual property, and globally competitive platforms."

**Pari Natarajan, CEO, Zinnov**, further added "India has already proven its ability to create start-ups at scale. The defining question now is how consistently we convert innovation into sustainable, revenue-backed growth. Capital is returning, but it is rewarding execution, customer validation, and repeatable value creation. The ecosystems that will lead the next decade will be those that institutionalize demand, shorten the journey from Seed to Series A, and build predictable commercialization pathways. If India can systematically transform prototypes into paying customers, it will not only remain one of the world's largest start-up hubs — it will become one of the most globally competitive."

While India has built a strong capacity for innovation and early-stage venture creation, the report highlights that the ecosystem's next opportunity lies in strengthening the pathway from technology readiness to commercial scale. A large proportion of tech start-ups continue to remain at the same funding stage for extended periods, with the Seed-to-Series A transition emerging as the most significant progression gap. The findings underscore the need to deepen commercialization pathways, align growth-stage capital with scale requirements, and strengthen outcome-oriented incubation and post-incubation support mechanisms to accelerate sustainable scale outcomes across the ecosystem.

#### **About Nasscom:**

Nasscom represents the voice of over \$300bn technology industry in India with the vision to establish the nation as the world's leading technology ecosystem. Boasting a diverse and influential community of over 3500 member companies, our network spans the entire spectrum of the industry from DeepTech and AI startups to multinationals and from products to services, Global Capability Centers to Engineering firms. Guided by our vision, our strategic imperatives are to accelerate skilling at scale for future-ready talent, strengthen the innovation quotient across industry verticals, create new market opportunities – both international and domestic, drive policy advocacy to advance innovation and ease of doing business, and build the industry narrative with a focus on Trust, and innovation. And, in everything we do, we will continue to champion the need for diversity and equal opportunity.

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#### **About Zinnov**

Founded in 2002, Zinnov is a global management and strategy consulting firm with offices across New York, Santa Clara, Houston, Seattle, Bangalore, Gurgaon, Hyderabad, Pune, London, and Paris. Over the past 23 years, Zinnov has partnered with 250+ Fortune 500 enterprises to deliver

actionable, data-driven insights that accelerate technology-led value creation across revenue growth, transformation, and optimization.

Zinnov brings deep expertise across Digital Engineering Talent, Digital Transformation, Innovation, and Outsourcing Advisory. The firm enables enterprises to design, build, transform, and scale their global engineering talent footprint through center setups and accelerators—delivered in as-a-service models as well as through global portfolio optimization—to drive higher R&D efficiency, innovation, and productivity. Its advisory portfolio also includes buy-side and sell-side M&A support, commercial due diligence, asset shortlisting, target evaluation, and value creation strategies for corporates and private equity firms.

In addition, Zinnov supports organizations in driving revenue growth through account intelligence, market entry, and market expansion advisory. The firm partners with enterprises to design and operationalize open innovation programs, enable structured collaboration with startups, and implement digital transformation initiatives powered by AI/ML, Intelligent Automation, Cloud, and IoT. With a team of experienced consultants, subject matter experts, and research professionals, Zinnov serves clients across Enterprise Software, BFSI, Healthcare, Automotive, Retail, and Telecom sectors in the US, Europe, Japan, and India. For more information, visit <http://www.zinnov.com>. For media queries, please contact Nitika Goel, Chief Marketing Officer, Zinnov, at [media@zinnov.com](mailto:media@zinnov.com) or +91 98450 16255.