TN2035

THE WEEKLY SCOREBOARD · EDITION 1 · 2026

The TN2035 *Scoreboard* 2026

Tamil Nadu vs Karnataka vs Andhra Pradesh —
the full data report.

Atoms + bits.

SOURCE	RANKING RELEASED	STATES ASSESSED
DPIIT 5th Edition	January 2026	34 of 36

An independent movement to make Tamil Nadu Asia's next innovation capital by 2035.
Every figure in this report is drawn from official Government of India sources, cited on the final page.

THE FINDING

Same podium. Different gap.

Every few months a chart goes viral showing how far behind Chennai is on startup funding. It is the wrong conversation — not because the gap isn't real, but because the loudest numbers are the least verified, and the most important number is one almost nobody quotes.

So we went to the primary source: the **Government of India's 5th Edition States' Startup Ecosystem Ranking**, released by DPIIT and Startup India around National Startup Day 2026, marking ten years of the Startup India mission. It scores every participating state (34 of 36) across six reform areas, over January 2023 to late 2024. No estimates. The actual scoreboard.

On the Government's own 2026 scorecard, Tamil Nadu is not behind on building. It is behind on capital and market access.

Tamil Nadu's two lowest reform scores — Funding (75%) and Market Access (50%) — are the exact two areas where Karnataka is strongest (88% and 70%).

Top Performer
Tamil Nadu's national rating

Top Performer
Karnataka's national rating

Leader
Andhra Pradesh's rating

100%
TN's score on Infrastructure & on Innovation

That already corrects a myth. Tamil Nadu is not a laggard chasing Karnataka from two rungs down. On the national podium they stand side by side — both in the top population category (over 5 crore), genuine peers. The interesting question is not *who ranks higher*. It is *where they differ* — and there the data stops flattering everyone and starts telling the truth.

01 How the ranking works

The States' Startup Ecosystem Ranking is India's official measure of how well each state builds the conditions for startups. States are grouped by population for fairness — Tamil Nadu and Karnataka both sit in **Category A1** (over 5 crore), making them direct peers; Andhra Pradesh, Telangana and Kerala sit in **Category A2** (1–5 crore).

Each state is scored across six reform areas and placed in one of five performance bands by percentile:

PERFORMANCE CATEGORY	PERCENTILE BAND	NO. OF STATES
Best Performer	90–100	3
Top Performer	70–89	5
Leader	50–69	11
Aspiring Leader	30–49	8
Emerging Ecosystem	up to 30	7

Where the Southern states landed

STATE	CATEGORY (2026)	POPULATION GROUP
Tamil Nadu	Top Performer	A1 (>5 crore)
Karnataka	Top Performer	A1 (>5 crore)
Andhra Pradesh	Leader	A2 (1–5 crore)
Telangana	Leader	A2 (1–5 crore)
Kerala	Leader	A2 (1–5 crore)

Nationally, **Gujarat** was the standout Best Performer. The Top Performer band included **Tamil Nadu, Karnataka, Uttar Pradesh and Punjab**. Tamil Nadu and Karnataka are therefore the two Southern front-runners, one band above their neighbours.

02 The gap that actually matters

Rank tells you little. The six reform-area scores tell you everything. Here is Tamil Nadu's row, next to Karnataka's:

REFORM AREA	TAMIL NADU	KARNATAKA	READ
Institutional Support	80%	80%	Level
Infrastructure Support	100%	71%	TN leads
Funding Opportunities	75%	88%	TN gap
Market Access & Reach	50%	70%	TN gap
Ecosystem Capacity Building	67%	67%	Level
Innovation & Sustainability	100%	100%	Both max

Read Tamil Nadu's column honestly. Its **two lowest scores are Funding (75%) and Market Access (50%)** — and those are the exact two areas where Karnataka is strongest. On everything to do with *building* — infrastructure, innovation, sustainability — Tamil Nadu scores a perfect 100%, matching or beating its neighbour.

> **The atoms are here. The bits are here. What's thin is the capital that backs them early, and the doorways that take a Tamil Nadu startup to its first big customer.**

This is the whole TN2035 argument — and we no longer have to make it with borrowed charts. The Government of India's own scorecard makes it for us. It is also a *solvable* gap: not a shortage of ideas, engineers or founders, but of early capital and market pathways. Close those two, and a Top Performer becomes a Best Performer.

03 What each state actually did

Verified figures from the 5th Edition State & National Reports (period: Jan 2023 – late 2024).

Tamil Nadu

Top Performer

- **20,100+** startups on the StartupTN portal
- **360+** given incubation / acceleration support
- **20+** new manufacturing incubators set up
- **185+** startups backed in priority sectors
- **180+** women-led startups across 25+ districts
- **195+** startups funded; **₹200+ crore** disbursed
- **310+** govt work orders to 105+ startups
- **10.88%** state GSDP CAGR (to 2023-24)

Karnataka

Top Performer

- **~21,000** startups in the ecosystem
- **40+** unicorns
- **First** Indian state with a Startup Policy (2015)
- **14** Centres of Excellence
- **285+** startups funded; 75+ investor connects
- **295+** priority-sector startups supported
- **80+** women-led startups across 20+ districts
- **₹28.83 lakh cr** state GSDP (2024-25)

Andhra Pradesh

Leader

- **350+** women-led startups supported
- **20+** student-focused programs
- A fast-follower building depth, one band below
- Category A2 (1–5 crore population)

The contrast hides in plain sight: Tamil Nadu shows deeper **manufacturing and public-procurement** muscle (new manufacturing incubators; 310+ government work orders). Karnataka shows deeper **capital** muscle (40+ unicorns; direct investor connects). Two states, two strengths — and the space between them is exactly the gap TN2035 exists to close.

04 The national picture, and the road ahead

2,07,137 DPIIT-recognised startups in India, 2025 (from 502 in 2016)	**34 / 36** States & UTs that took part in the 5th edition	**~26 lakh** Data points evaluated across the exercise

India crossed the two-lakh mark for recognised startups in 2025 — a 400-fold rise in nine years. Tamil Nadu is a genuine engine of that story: a Top Performer with perfect scores on infrastructure and innovation, real depth in manufacturing and government procurement, and 20,000+ startups on its state portal.

What closing the gap looks like

The data points to two specific, fixable levers — Tamil Nadu's own weakest areas:

LEVER	WHY IT MATTERS (FROM THE SCORECARD)
Early capital	Funding at 75% is TN's second-lowest score; Karnataka's strongest is here (88%). Deepen state co-investment, angel activity and early-stage funds.
Market access	At 50%, this is TN's single lowest score. Widen procurement pathways and first-customer access so startups can scale from within the state.

Tamil Nadu already builds real things. The next decade is about making sure it can *fund* them, and *sell* them, from here.

Walk with us.

Founders, investors, students, teachers, policymakers — this is a case we build together, one honest edition at a time.

Atoms + bits.

05 Sources & methodology

The honest scoreboard: not a slogan — a record. Here is exactly where every figure came from.

Primary sources

- — **States' Startup Ecosystem Ranking, 5th Edition** — DPIIT / Startup India, Ministry of Commerce & Industry, Government of India. Framework document dated 1 June 2024; National Report foreword dated 13 January 2026. Period of consideration: January 2023 – late 2024.
- — **Tamil Nadu State Report** and **Karnataka State Report**, 5th Edition — for all reform-area scores, category placements and per-state figures.

What we did *not* assert

> City-level counts of VC firms, angel investors and unicorns; multi-year venture-capital totals; state share of national GDP; and per-capita income comparisons are **not contained in these Government reports**. Widely-shared infographics that quote such figures rely on private databases (Tracxn, Venture Intelligence) or macro sources (RBI Handbook of Statistics). We have deliberately left them out rather than present them as official. When TN2035 cites a number, we tell you where it came from.

> **Flagged for verification:** a popular graphic puts Karnataka's 2025-26 GSDP at ₹30.7 lakh crore and "9% of India's GDP." The official state report we checked shows **₹28.83 lakh crore for 2024-25**. The higher number may be a 2025-26 budget estimate — but until confirmed at source, we flag it rather than repeat it.