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Introduction

The overall economy and GDP growth trajectory of a country depend on the contributions of small and medium-sized entrepreneurs and their ability to create jobs through innovation and productivity increases within industries that are considered 'high-tech', 'high-skill', and require the most capital. Over the last decade, we have seen a massive increase in the number of new entrepreneurs entering the marketplace and creating jobs through their innovative concepts. The Government of India is assisting this new breed of entrepreneurs and providing them the necessary tools and resources for success, such as through its Start-up India initiative.

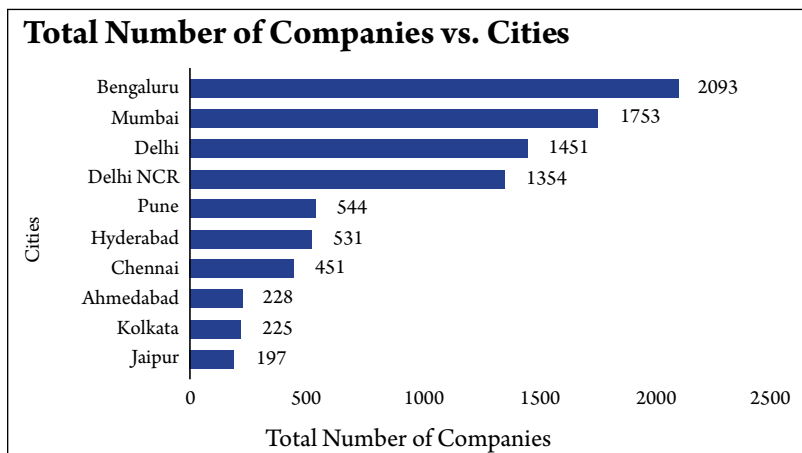
Women Entrepreneurship and Startup Growth in India

The increasing number of women entrepreneurs in India represents a transformative opportunity for the startup ecosystem, contributing to new business creation, employment generation and innovation. Improved access to digital infrastructure and supportive policy initiatives has strengthened the participation of women founders; however, structural barriers, particularly in access to growth capital, governance capacity and institutional networks, continue to constrain scalability. This study examines the economic contributions of women-led startups, analyses the key obstacles limiting their expansion, and highlights the critical role of Chartered Accountants and financial professionals in bridging these gaps. By strengthening financial reporting systems, ensuring regulatory compliance, supporting fundraising efforts and institutionalizing governance frameworks, CAs enhance investor readiness and long-term sustainability. The paper argues that professional financial mentorship combined with enabling public policy is essential for moving women-led enterprises from participation to scalable impact, thereby contributing to inclusive and sustainable economic development in India.

Another area of increasing importance for many businesses, particularly in developed economies, is e-commerce or the ability to do business electronically via the internet. E-commerce has provided new opportunities for businesses that may not have had the ability to do so in the past, enabling existing and potential start-ups to create and operate on the same playing field as traditional brick-and-mortar retailers. We have seen numerous advancements in this area; however, the current representation of women in the role of founder and CEO of women-led startups is still far below acceptable levels in sectors that are traditionally considered 'high-capital' sectors and where advanced technology is required (DPIIT, 2025). Even though research shows that boosting female participation in entrepreneurship can yield positive

effects on the broader economy, their lack of representation remains a persistent challenge.

Figure 1 highlights the urban concentration of women-led startups, with Bengaluru (2,093) emerging as the leading hub, followed by Mumbai (1,753) and Delhi (1,451). Tier-I cities have benefitted from greater access to advanced technology, venture capital and other financing, an ever-growing network of incubators and a greater prominence of strong professional networks than in most other less-developed markets; however, the stronger presence of venture-capital-backed incubators and the networks generated by those incubators are evident in those cities compared to cities such as Kolkata and Jaipur, which exhibit weaker presence and demonstrate a need to devise strategies

Figure 1: Geographical Concentration of Women-Led Startups across Major Indian Cities

* Delhi NCR includes Gurgaon, Noida, Faridabad and Ghaziabad only * Equity rounds considered only

Source: Tracxn, 2025

to assist tier-two and tier-three cities to be more conducive for entrepreneurship while India has over 159,000 DPIIT-recognized startups, with over 45% located outside metro centres in Tier-II and Tier-III cities, a reflection of broader geographic diffusion of entrepreneurial activity beyond the big Tier-I hubs (Sarath C P, 2025).

According to economic analyses, female-led businesses can act as vehicles of (1) social integration, (2) productivity, (3) the production of new

goods and services, (4) increased sales and profit margins, and (5) creating more jobs and stabilizing the economy through entrepreneurship. Studies have shown that a higher participation of women in entrepreneurship increases labour force participation, which improves household income stability and strengthens economic resilience (World Bank, 2023). However, the growth of startups directed by women impacts not only individual enterprises but also the overall route of economic development.

“Indian women-led innovations and business development are creating numerous jobs for women. Increased employment for women leads to more households with women in the workforce and women having a higher level of educational achievement.”

Women-Led Startups in the Indian Context

A significant number of women are employed in consumer-oriented service-driven sectors like education, retail, healthcare and financial inclusion. These sectors often merge to create social influence on enterprises' sustainability and craft business models that address local demands and fill market gaps.

Table 1 shows that women-led startups in India witnessed peak funding in 2021 (USD 6.3 billion), followed by a decline during the

Table 1: Funding Trends of Women-Led Startups in India and Global Comparison

Year	Women India	India Overall	% share of India Tech-Women led in Overall-India Tech	Women Global	% share of India Tech-Women led in Global Tech-Women led
	Total Funding	Total Funding		Total Funding	
2015	\$1.2B	\$8.5B	14.48%	\$10.6B	11.67%
2016	\$1.0	\$4.9B	21.42%	\$9.2B	11.41%
2017	\$909.7M	\$11.8B	7.72%	\$15.7B	5.76%
2018	\$2.1B	\$11.0B	18.85%	\$19.8B	10.46%
2019	\$2.1B	\$15.1B	14.02%	\$24.9B	8.50%
2020	\$3.5B	\$10.9B	32.06%	\$23.4B	14.92%
2021	\$6.3B	\$35.0B	18.08%	\$57.3B	11.05%
2022	\$5.0B	\$24.4B	20.39%	\$32.8B	15.18%
2023	\$1.4B	\$11.2B	12.32%	\$28.6B	4.82%
2024	\$1.0B	\$11.8B	8.76%	\$26.0B	3.96%
2025-YTD	\$133.1M	\$980.0M	13.58%	\$2.5B	5.27%

Source: Tracxn, 2025

global funding slowdown. Despite this, a sizable portion of global funding for women-led startups consistently comes from Indian sources. Additionally, the data shows that in 2024, women-led startups contributed 8.76% of all Indian tech funding, demonstrating resilience in the face of macroeconomic challenges.

There is a noteworthy rise in the number of women entrepreneurs in Tier II and Tier III cities. Unlike the starting stages of startup expansion, which were mainly focused on metropolitan cities, female-led enterprises are now gradually emerging from smaller cities and semi-urban locations. This geographical spread supports decentralized economic development and aligns with the national objectives of balanced regional growth (NITI Aayog, 2022).

Digital technologies such as digital payments, e-commerce and cloud accounting have simplified business operations by reducing intermediaries and geographic barriers. This expansion of market access has enabled more women to establish and grow enterprises despite mobility and safety constraints.

Economic Contributions of Women-Led Startups

Indian women-led innovations and business development are creating numerous jobs for women. Increased employment for women leads to more households with women in the workforce and women having a higher level of educational achievement. This has an impact on the growth of human capital in a country. Economically, these revenues are a supporting factor for social stability and are also a contributing factor to an economy growing via consumption.

The majority of women-operated small businesses are focused on utilizing creative business strategies that can benefit the social organization as well as creating fresh approaches to problem-solving and introducing

new products and services. Small businesses in agriculture, education, health and finance (especially financial inclusion) provide new and more efficient methods for delivering services, increase access to services, and give business owners the ability to identify and help repair the underlying structural inclusivity gaps in the way in which they provide service.

Women entrepreneurs contribute to the expansion of consumer markets, especially in many “untapped” or underserved sectors. Additionally, female-owned businesses create a bridge between consumers and products, providing a connection between local consumer preferences and established market segments, thereby creating a more personalized consumer journey for the new consumer and creating consumer awareness to increase the new consumer’s purchasing power. The result of this increased consumer awareness will lead to tax compliance, increasing revenues for businesses, increased transparency in business operations, and ultimately the overall growth of the economy (RBI, 2023).

Companies listed in Table 2 demonstrate how structured financial governance supports scaling to advanced stages. For example, Zomato, founded in 2008, raised USD 1.7 billion and achieved public status, while Pine Labs secured USD 1 billion

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and reached the late-stage category. Similarly, firms such as OfBusiness (USD 758M, Series G) and Cult.fit (USD 687M, Series F) progressed through multiple funding rounds before approaching late-stage maturity.

Such progression across Series D to G funding rounds typically requires strong financial reporting, regulatory compliance, valuation accuracy and due diligence preparedness, where Chartered Accountants play a critical role in enhancing investor confidence and enabling a successful transition toward late-stage expansion or public listing.

Table 2: Top Funded Women-Led Startups in India

Company Name	Founded Year	Total Funding (USD)	Company Stage
Zomato	2008	1.7B	Public
Pine Labs	1998	1B	Late Stage
Lenskart	2010	1B	Series I
OfBuisness	2015	758M	Series G
Cult.fit	2016	687M	Series F
ACKO	2016	598M	Series E
LivSpace	2014	527M	Series F
Table Space	2017	402M	Series D
Amagi	2008	359M	Series F
The Good Glamm Group	2015	346M	Series E

Source: Tracxn, 2025

Policy Environment and Institutional Support

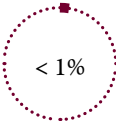
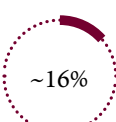
The Indian government has launched several policy initiatives to increase participation and access to resources because it recognizes the significance of women entrepreneurs. Initiatives such as Startup India and Stand-Up India aim to support women entrepreneurs by providing them with easier access to institutional credit, streamlined

registration procedures, and incubation assistance. Dedicated credit plans and guarantees have been created to help women-owned businesses overcome financial challenges (Government of India, 2023).

Figure 2 reveals a striking structural imbalance: while approximately 31% of women-owned enterprises are Urban Solopreneurs, less than 1% qualify as Scalers. This disparity indicates that

most women entrepreneurs operate small, home-based or micro-enterprises generating less than INR 50 lakh annually, with limited employees and restricted growth orientation. The extremely small Scaler segment reflects barriers such as inadequate access to growth-stage capital, limited investor networks, governance gaps, collateral constraints and sociocultural time burdens that restrict expansion beyond subsistence-level entrepreneurship.

Figure 2: Distribution and Characteristics of Women-Owned Enterprises in India by Business Segment

Segment	Percentage of women-owned enterprises	Overview
Scaler 	 $< 1\%$	- Rural or urban women with non-farm businesses - Generate more than INR 50 lakh in revenue or employ more than 10 people - Operate from a formal office setting - Value growth, recognition and wealth creation
Urban small business owner 	 $\sim 6\%$	- Operators of small urban businesses - Generate less than INR 50 lakh in revenue, and typically employ less than 10 people - Serving a large, local customer base, they operate from an office or a co-working space - Value the steady income potential from entrepreneurship
Rural small business owner 	 $\sim 8\%$	- Operators of small rural non-farm local businesses - Generate less than INR 50 lakh in revenue, and typically employ less than 10 people - Operate from homes or a community centre - Often driven by financial necessity, they value the steady income their business provides
Urban solopreneur 	 $\sim 31\%$	- Urban, self-employed women - Typically generate less than INR 50 lakhs in revenue - Usually work from home, occasionally with part-time help - Value the flexibility entrepreneurship brings, and the ability to generate income and be productive
Rural solopreneur 	 $\sim 38\%$	- Rural non-farm, home-based business owners - Generate supplemental household income by selling individually or through collectives - Value entrepreneurship for the petty supplemental income it provides; operate the business as a secondary priority to household work
Rural agripreneur 	 $\sim 16\%$	- Farm-based business owners, focused on growing and selling agriculture products for profit - May employ people formally - Mobility constraints mean they usually work full time but from home, selling primarily through offline channels such as markets or distributors - Are engaged as entrepreneurs due to necessity, given absence of other income opportunities

Source: BCG & TiE, 2020

The proposed policy interventions aim to shift women from the Solopreneur category to the Scaler segment by expanding access to growth-stage funding, strengthening mentorship and incubation ecosystems, integrating Chartered Accountant advisory support for financial structuring and simplifying compliance frameworks. By addressing capital continuity and institutional readiness, these reforms can enable more women-led enterprises to transition from income-supplementing ventures to scalable revenue-generating businesses contributing significantly to employment and GDP growth.

The Women Entrepreneurs' Platform (WEP) was launched by NITI Aayog with a view to creating an ecosystem for developing women entrepreneurs and has given an impetus to network with other women entrepreneurs in both a formal & informal fashion through networking and capacity building (NITI Aayog, 2022). Digital infrastructure has helped these efforts by enabling businesses to use a combination of ways to digitally establish their identity through Aadhaar, and to pay for their goods and services digitally with UPI.

Growth Barriers Faced by Women-Led Startups

Women-led businesses have made remarkable advancements, but they still face great roadblocks in terms of growth opportunities such as limited access to sources of funding being one of the major challenges that women entrepreneurs are confronted with as they try to raise capital. Venture funding received by women-only founding teams in India stands at 2.3%, while the figure for mixed-gender teams rounds off to nearly 23%. It is also important to note that women-led startups receive a mere Rs. 4 out of every Rs. 100 gained by startups in the country. The picture is not any different on the global stage; women-led startups have received lower than 2% of the total global venture capital funding, while at the

same time providing favorable returns (Resham Suhail, 2026).

Women entrepreneurs often shoulder a disproportionate share of household and caregiving responsibilities, limiting their time availability and flexibility to manage and expand their businesses effectively. These constraints restrict networking and investor engagement opportunities, while limited asset ownership further reduces their ability to access institutional credit for growth.

Financial Management and Governance Challenges

Poor financial management leads to a variety of problems over time for startup businesses led by women and other under-represented groups. Many under-represented groups have other barriers, such as lack of access to capital; however, a major issue for many early-stage ventures that are being led by women is that they do not have formal accounting systems in place and implemented internal controls. Because these early-stage companies tend to be primarily focused on getting their products to the market, they will often take a “get it to market quickly” approach at the detriment of establishing proper financial reporting systems. As a result, while companies may experience quick growth with this approach, they may ultimately create long-term funding problems, including lack of investor confidence, cash flow issues, and difficulties

with obtaining a bank loan. As startups continue to grow, if they do not comply with tax regulations, additional penalties may be assessed against them, thereby harming their reputation. Thus, as these startups continue to seek institutional funding and partnerships with other (large) companies, they should ensure that they have implemented requisite governance policies/procedures.

By shifting the emphasis of female-led businesses from being sustainable businesses to growth-focused businesses, creating strong governance frameworks and improving financial control will be crucial to their success. The transition from being a small business to a large company is a significant step in the journey for all entrepreneurs, especially women entrepreneurs, who have a unique set of challenges that male entrepreneurs do not have to overcome during their journey.

Role of Chartered Accountants and Finance Professionals

Chartered Accountants (CAs) play a crucial role in addressing the financial, regulatory, and governance challenges faced by women-led startups. As trusted advisors, they provide both technical expertise and strategic direction that support sustainable growth and investor confidence.

Early engagement with Chartered Accountants improves compliance, enhances financial transparency and

Table 3: Key Areas of Professional Contribution

Technical Contributions	Strategic Contributions
Designing accounting and financial reporting systems	Business valuation and financial modelling
Tax compliance and GST advisory	Fundraising strategy and investor pitch support
Statutory audits and regulatory filings	Due diligence preparation and capital structuring
Establishing internal controls	Scaling strategy and financial planning
Risk assessment and compliance monitoring	IPO readiness and governance advisory

Source: Author's Compilation

strengthens investor readiness. For women entrepreneurs, professional mentorship provides clarity in navigating complex regulatory environments and supports the transition from early-stage operations to scalable enterprises. Through financial literacy initiatives and structured advisory, CAs contribute meaningfully to inclusive and sustainable economic development.

Policy Implications and the Way Forward

■ Policy Reform

To fully realize the economic potential of women-led startups, policy interventions must move beyond participation metrics and focus on scale, sustainability and integration into mainstream economic activity. Expanding access to growth-stage capital through blended-finance mechanisms and gender-sensitive investment frameworks can significantly strengthen scaling opportunities. Simplifying regulatory compliance and introducing targeted incentives for high-growth women-led enterprises will further enhance institutional participation and investor confidence.

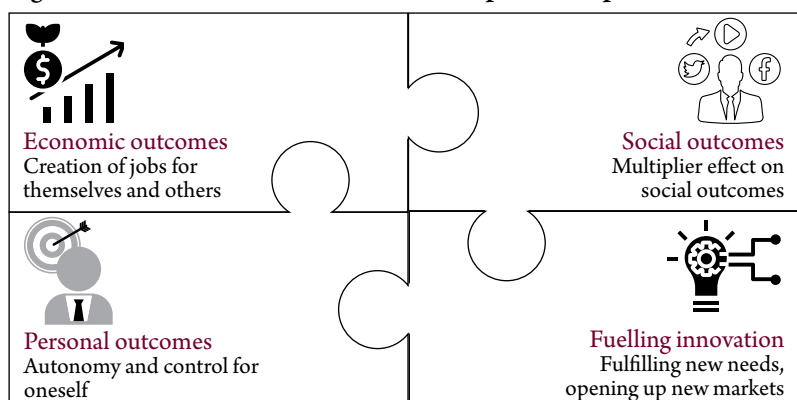
■ Regional Inclusion

Addressing regional disparities is essential for balanced entrepreneurial development. Strengthening mentorship networks, incubation centres, and investor outreach programs in Tier-II and Tier-III cities can decentralize startup growth and reduce metro concentration. Developing localized funding networks and professional advisory access in emerging hubs will accelerate the transition of women entrepreneurs from micro-enterprises to scalable ventures.

■ Professional Mentorship and Advisory Support

Enterprise sustainability can be reinforced through structured financial guidance and governance

Figure 3: Various Outcomes of Women Entrepreneurship in India



Source: BCG & TiE, 2020

support. Expanding access to expert advisory services, particularly Chartered Accountants and financial professionals, will improve compliance, financial discipline, valuation readiness and long-term strategic planning. Professional mentorship programs integrated within startup ecosystems can bridge capability gaps and enhance investor preparedness.

From a macroeconomic perspective, strengthening women-led startups contributes directly to India's long-term development strategy by increasing productivity, generating employment, promoting financial inclusion, and advancing social equity.

Conclusion

Despite supportive factors, women-led startups often operate on a micro or small scale. To nurture the success of female entrepreneurs, they need not only to be mentored but also to receive financial support. In addition, female-led enterprises contribute considerably to both job creation and the economy in India and help to lead the shift to digital commerce. Chartered Accountants and finance professionals provide ethical and strategic assistance throughout the entire entrepreneurial cycle of female entrepreneurs. This assistance fosters a better business environment for future generations. Supporting female-led businesses is about more than creating equal access; it is

about creating an environment for sustainable economic development in India and enabling a larger potential for long-term economic success.

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