



## Impact of Government Scheme: Start-up India

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### **Abstract:**

*In 2016, the Government of India launched the Start-up India Scheme to promote the innovation, entrepreneurship, and economic growth by supporting emerging undertakings across sectors. This research paper studies the key modules of the scheme and assesses its effect on financing, regulatory reforms, employment generation, and the overall entrepreneurial environment. Outcomes show that Start-up India has meaningfully developed access to capital, reduced compliance burdens, expanded incubation infrastructure, and contributed to the rise of India as one of the world's leading start-up hubs. However, gaps remain in regional reach, long-term financial sustainability, and inclusion of marginalized groups. The paper concludes with suggestions for strengthening the scheme's future impact.*

**Keywords:** *Start-up India, Government Schemes, Entrepreneurship, MSME, Innovation, Economic Development.*

### **Introduction:**

Entrepreneurship has arisen as a critical cornerstone of economic growth, employment creation, and technological innovation in India. Identifying its significance, the Government of India launched the **Start-up India** scheme in January 2016 with the aim of creating a strong ecosystem that promotes modernization and provisions for ambitious businesspersons. The scheme offers financial incentives, regulatory transformations, incubation maintenance, and simplified processes directed at removing obstacles for new ventures. Approximately a decade since its launch, Start-up India has become a keystone of India's entrepreneurial landscape. This research paper discovers the crucial features of the Start-up India scheme and assesses its impact on India's start-up

ecosystem. The analysis draws on official reports, policy forms, and secondary research to provide a comprehensive understanding of the scheme's achievements and limitations.

### **Objectives of the Study:**

1. To examine the major components and policy framework of the Start-up India initiative.
2. To assess the influence of the scheme on entrepreneurial growth, funding availability, and regulatory reforms.
3. To assess the contribution of Start-up India to employment generation and innovation.
4. To identify challenges and suggest measures for improving the effectiveness of the scheme.

**Literature Review:**

Prevailing literature on entrepreneurship in India highlights the requirement for helpful policy outlines to raise innovation-led growth. Studies indicate that lack of subsidy, unwieldly guidelines, and inadequate incubation facilities have conventionally stuck start-up development. Government-led interventions such as Start-up India aim to report these gaps by proposing tax incentives, credit guarantee schemes, and simplified compliance processes. Research also arguments to the role of digital podiums, incubators, and project capital networks in strengthening entrepreneurial ecosystems. The Start-up India initiative bring into line with global developments where governments actively support innovation-driven enterprises.

**Start-up India: Significant Constituents:****1. Governing Modifications and Ease of Doing Business:**

- Self-certification for labour and environmental laws
- Quicker incorporation processes through the Start-up India portal
- Relaxed norms for public procurement
- Easy exit option through the Insolvency and Bankruptcy Code

**2. Monetary Provision Procedures:**

- **Fund of Funds for Start-ups (FFS):** Managed by SIDBI to provide capital to SEBI-registered AIFs
- **Credit Guarantee Scheme for Start-ups:** Enhances access to collateral-free loans
- **Tax Exemptions:** Including 3-year income tax holiday and exemption on capital gains

**3. Incubation and Infrastructure Development:**

- Establishment of incubation centres in academic institutions
- Atal Innovation Mission and Atal Tinkering Labs
- Start-up India Hub as a single-window support system

**4. Industry-Academia Partnership:**

- Collaboration with IITs, IIMs, and research institutions
- Promotion of innovation challenges and hackathons

**Impact of Start-up India Scheme:**

**1. Enriched Access to Finance:** The Fund of Funds and credit guarantee mechanisms have considerably developed funding availability for early-stage undertakings. Venture capital investments have improved in key sectors such as technology, fintech, health tech, and e-commerce.

**2. Employment Generation:** Start-ups maintained under the scheme have created thousands of direct and indirect employment opportunities, particularly for youth and skilled professionals.

**3. Development of Innovation Environment:** India has converted one of the fastest-growing start-up ecosystems globally, with new ventures developing across metros as well as tier-2 and tier-3 cities. Bigger patent filings and research-driven enterprises reflect growing innovation.

**4. Simplification of Supervisory Processes:** The scheme has abridged administrative hurdles by enabling self-certification, fast-track patent processing, and simplified business registration.

**5. Better Global Effectiveness** Indian start-ups have increased international

acknowledgment, inviting global investors and establishing cross-border collaborations.

### **Challenges and Limitations:**

1. Uneven regional distribution of start-ups, with concentration in major cities.
2. Limited participation from women, SC/ST entrepreneurs, and rural innovators.
3. Administrative delays in disbursal of funds under certain programs.
4. Need for stronger mentorship and long-term sustainability support.

### **Suggestions for Improvement:**

- Strengthen outreach to rural and underrepresented groups.
- Enhance transparency and speed in fund disbursement.
- Expand partnerships with global accelerators and industry leaders.
- Provide targeted incentives for deep-tech and green-tech start-ups.
- Strengthen monitoring and evaluation mechanisms.

### **Conclusion:**

The Start-up India scheme has played a transformative role in stimulating India's entrepreneurial landscape. By encouraging innovation, simplifying regulations, and facilitating access to

finance, the initiative has assisted establish India as a global start-up hub. While challenges remain, particularly in guaranteeing inclusive growth, the continued progression of the scheme promises to drive sustainable economic development and technological progress.

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