

# A Decadal Growth and Progress of Startups in India

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## **Abstract**

Startup India is a Government of India flagship initiative to build startups and nurture innovation. Through this initiative, the government plans to empower startup ventures to boost entrepreneurship, economic growth and employment across India. India's startup ecosystem has become a talking point for the entire world. With hundreds of innovative youngsters choosing to pursue the path of entrepreneurship instead of joining the multinational corporations and government ventures, the business world has witnessed an explosion of groundbreaking startups providing solutions to the real problems at a mass level in the decade. Over the past decade (2016–2026), India has transformed into the third-largest startup ecosystem in the world, following the US and China. Driven by the Startup India initiative launched on 16 January 2016, the country has shifted from a "job-seeking" to a "job-creating" nation. This paper explores the growth and development of startups in India, examining their rise in recent years, the contributing factors, challenges faced, and the role of the government and various stakeholders. The startup ecosystem in India has grown substantially due to a combination of favourable policies, technological advancements, and increasing access to funding. However, challenges such as regulatory barriers, market volatility, and infrastructure limitations remain. The paper focuses on the Decadal Growth and Progress of Startups in India.

**Keywords:** Economic growth, employment, Progress of Startups, innovation. Entrepreneurship.

## **Introduction**

India has emerged as a hotbed of startup activity in recent years, with thousands of new companies being launched every year. However, startups in India face a variety of legal challenges that can impact their ability to grow and succeed. From compliance with complex laws and regulations to securing intellectual property rights and navigating fundraising and investment regulations, startups must navigate a maze of legal hurdles. Startups in India face a multitude of legal challenges that can significantly impact their growth and sustainability. Some of the most common legal challenges include regulatory compliance, intellectual property protection, contractual issues, employment laws, fundraising and investment, and dispute resolution. These challenges can be complex and time-consuming, and startups need to be aware of the legal landscape in India to navigate these issues effectively. It is essential for startups to work with legal professionals to ensure compliance and protect their interests, as well as to develop proactive strategies to mitigate legal risks. Failure to address legal challenges can result in significant financial and reputational damage to startups, making it critical to have a comprehensive understanding of the legal landscape and potential risks.

According to official government directives, an entity earns recognition as a startup if it actively engages in the development, commercialisation, and innovation of new products, services, or processes driven by intellectual property or technological advancements. The entrepreneurial landscape in India has witnessed an inundation of business ventures, with notable successes like Flipkart, Snapdeal, Paytm, and Ola sparking conversations around skyrocketing valuations. India is a developing nation with a population ranked second. One of the main forces behind job chances and economic growth is startups, which also raise per capita income and have a favourable effect on the economy. Securing capital for an inventive product or procedure is the primary obstacle faced by newly established businesses. A significant number of young people have demonstrated their entrepreneurial abilities through the establishment of their own startups. The ability to foresee business opportunities and act entrepreneurially is necessary for every business idea to succeed.

### **Significance of the Study**

Startups have played and continue to play significant roles in the growth, development and industrialisation of many economies all over the world. Startup is a flagship initiative of the government of India, intended to build a strong ecosystem for nurturing innovation. Startups will drive sustainable economic growth and generate large-scale employment opportunities and minimise unemployment. Statement of the Problem The emergence of the startup wave in India is a relatively new phenomenon. Today India is undergoing a fundamental shift, with entrepreneurship and innovation being primary catalysts in job creation and solving everyday problems. A decade ago, there were only a handful of startups such as MakeMyTrip.com and Naukri.com. But now, with the success of such companies as Flipkart, Quikr, Practo, Zomato and InMobi, the Indian startup ecosystem has indeed come a long way.

### **Review of Literature**

Narendra Modi (2016) stated that Startup India is a revolutionary scheme that has been started to help the people who wish to start their own business. These people have ideas and capability, so the government will give them support to make sure they can implement their ideas and grow. Success of this scheme will eventually make India a better economy and a strong nation.

Grant Thornton (2016) defines a startup business as an organisation which is an entrepreneurial venture/a partnership or a temporary business organisation engaged in the development, production or distribution of new products/services or processes.

Institute for Business Value (IBV) (2018): India is booming with young entrepreneurs and start-ups, but more than 90 per cent of start-ups in the country fail because lack of innovation, non-availability of a skilled workforce and insufficient funding are the main reasons for the high rate of failure.

Nipun Mehrotra (2018): "The Indian start-up community, ranked third globally in terms of number of start-ups, has been creating new job opportunities and attracting capital investment. We believe that start-ups need to focus on societal problems, including healthcare, sanitation, education, transportation, alternate energy management and others, which would help deal with the issues that India and the world face. These require investments in deep technology and products which are built to scale globally.

MYGOV BLOG (2022): A report on 'Startup India: What It Means for Youth' has provided that Indian minds are playing a pivotal role in the global landscape of startups and how the young entrepreneurs are working towards the vision of making a self-reliant India. The reports also describe the importance of the

Startup India scheme in nurturing the youth by unleashing their active engagement in making Aatmanirbhar citizens.

STARTUP INDIA WAY AHEAD (2022), an annual report published by the Ministry of Commerce & Industry, Department for Promotion of Industry & Internal Trade (DPIIT), discusses the journey of Indian startups from 2016 to the present and how the Startup India Action Plan 2016 has fuelled the startup movement in India, making India self-reliant and self-sufficient.

## Statement of the problem

The aim of this research is to provide a comprehensive understanding of the decadal growth drivers as well as challenges faced by the Indian startups in the current scenario. The research study also describes the support from various government schemes that have been primarily focusing on the growth and socioeconomic development of the nation through innovation and transformation. The Indian startup ecosystem has experienced a phenomenal, decade-long transformation, growing from approximately 500 startups in 2016 to over 2 lakh DPIIT-recognised entities by December 2025. This growth, spurred by the "Startup India" initiative launched on January 16, 2016, has propelled India to the position of the world's third-largest startup ecosystem.

## Objectives of the Study

- To explore the Decadal Growth and Progress of Startups in India.
- To assess the growth of startups in India
- To identify various government initiatives for the development of startups in India.
- To analyse the issues and challenges relating to startups in India.

## Research Methodology

The study is descriptive and conceptual in nature. The study is based on the secondary data which have been collected from journals, magazines, news articles, authenticated websites, newsletters and annual reports from the Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade (DPIIT) and from other sources found suitable.

## Decadal Growth and Progress of Startups in India

### Decadal Growth Metrics (2016 vs. 2026)

The scale of growth is reflected in the following key statistics as of early 2026

| Metric              | 2016 (Launch) | 2026 (Current) |
|---------------------|---------------|----------------|
| Recognised Startups | ~500          | 2,09,000+      |
| Unicorns            | 4             | 120            |
| Direct Jobs Created | 10            | 21 Lakh+       |
| Combined Valuation  | Negligible    | \$350 Billion+ |

## Decadal Growth & Key Milestones (2016–2026)

- **Startup Growth:** Recognized startups grew from ~500 in 2016 to over 2.09 lakh by 2025.
- **Unicorn Surge:** The number of unicorns (startups valued over \$1 billion) rose from just 4 in 2014 to over 120 by the end of 2025, with a combined valuation exceeding \$350 billion.

- **Job Creation:** Indian startups have generated over 21 lakh (2.1 million) direct jobs, with a significant increase in employment during 2024-2025.
- **Funding Resurgence:** After a "funding winter" in 2022-2023, funding rebounded in 2024, with over \$150 billion in cumulative private investment attracted over the decade.
- **Highest Annual Growth:** The ecosystem recorded its highest year-on-year growth in 2025, with over 44,000 new startups added, marking a 31% annual growth.

### Key Progress Drivers

- **Democratisation of Entrepreneurship:** Innovation is no longer restricted to metros. Nearly 50% of recognised startups now emerge from Tier-II and Tier-III cities.
- **Women-Led Growth:** Inclusivity has improved significantly, with over 45% of startups having at least one-woman director as of December 2025.
- **Digital Infrastructure (DPI):** The "India Stack" (Aadhaar, UPI, and GST) has provided a digital backbone, reducing transaction friction and enabling startups to scale rapidly.

### Government Support & Funding:

- **Fund of Funds for Startups (FFS):** A ₹10,000 crore corpus managed by SIDBI has catalysed over ₹25,500 crore in total investments.
- **Seed Fund Scheme (SISFS):** Provided ₹945 crore to support early-stage concepts and prototyping through over 215 incubators.
- **Regulatory Reforms:** Over 47,000 compliances have been reduced, and 64+ regulatory reforms were introduced to ease the burden on young firms.

### Sectoral Evolution

**Traditional Leaders:** Fintech and E-commerce continue to dominate in terms of valuation and volume.

**Emerging Frontiers:** There is a decisive shift toward high-impact "Deep-Tech" sectors, including SpaceTech (380+ startups), Defence (1,000+), Agri-tech (5,000+), and Generative AI (900+).

### Current Challenges:

Despite the growth, the ecosystem faces structural hurdles:

- **Funding Winter:** Late-stage funding saw a significant decline in 2024–2025, leading to over 5,000 startup closures.
- **Low R&D Spend:** India's R&D intensity remains at 0.64% of GDP, much lower than developed economies like the US (3.5%).
- **Exit Bottlenecks:** Underperforming IPOs and a lack of domestic risk capital have made exits more difficult for investors.

### Key Drivers of Progress

- **Digital Public Infrastructure (DPI):** The rapid adoption of UPI (United Payments Interface) and Aadhar-based KYC revolutionized digital payments, with over 18 billion monthly transactions by 2026.
- **Policy Support (Startup India):** The government implemented more than 60 regulatory reforms, in-

cluding angel tax exemptions, 100% income tax exemption for three years, and easier IPR (Intellectual Property Rights) processes.

- **Capital Mobilization:** The "Fund of Funds for Startups" (FFS), with a Rs 10,000 crore corpus, has committed funds to over 140 AIFs (Alternative Investment Funds), which in turn invested over Rs 25,500+ crore into 1,370+ startups.
- **Democratization of Innovation:** Nearly 50% of startups now originate from Tier-II and Tier-III cities, rather than just major metros like Bengaluru and Mumbai.
- **Inclusivity:** Over 45% of recognized startups have at least one-woman Director or Partner.

### Structural Shifts & Sectoral Focus

- **From Consumer to Infrastructure:** The focus has shifted beyond food delivery and apps to deep-tech sectors like Artificial Intelligence (AI), space-tech (over 380 startups), defense-tech (1,000+ startups), and agri-tech.
- **Self-Reliance:** The focus is on reducing dependency on foreign capital and building indigenous, high-technology products.
- **Sustainability & Profitability:** Post-2022, the trend shifted from "blitzscaling" (rapid growth at all costs) to sustainable profitability and better corporate governance.

### Challenges and Future Road Map

- **Funding Concentration:** While 50% of startups are in tier-2/3 cities, most venture capital remains concentrated in metros.
- **Infrastructure Gaps:** High operational costs in smaller towns and underdeveloped logistics still hinder scaling.
- **Low R&D Intensity:** R&D expenditure remains relatively low (approx. 0.64% of GDP) compared to global leaders, requiring more applied research.
- **The Next Decade:** The focus is now on transforming startups from "rapid expansion" to "sustainable scale," building global Indian brands, and achieving the goal of a \$7.3 trillion economy by 2030 and Viksit Bharat 2047.
  1. With over 2 lakh DPIIT-recognised startups as of December 2025, India stands firmly as one of the world's largest startup ecosystems.
  2. A decade of Startup India has built a full-lifecycle support system spanning ideation, funding, mentorship, and scale-up.
  3. Around 50% of DPIIT-recognised startups originate from Tier-II and Tier-III cities, signalling the democratisation of entrepreneurship.
  4. AIM 2.0 centred on piloting new initiatives to address ecosystem gaps and scaling proven models in collaboration with Governments, industry, academia, and communities
  5. Rural and grassroots programmes such as SVEP, ASPIRE, and PMEGP are enabling micro-enterprises, women-led ventures, and local jobs.

### Growth of Startups in India

National Startup Day on 16 January 2026 marks a landmark decade of the Startup India Initiative. What began in 2016 as a policy push to energise entrepreneurship has evolved into one of the world's largest and most diverse startup ecosystems. Anchored by "Startup India" this movement has had a transformative

impact on India's entrepreneurial and innovation ecosystem. It is firmly aligned with India's march toward achievement of *Viksit Bharat 2047*, combining economic modernization with inclusive regional uplift, reflecting its.

Startups have emerged as a vital pillar of India's economic transformation, driving innovation, job creation, and inclusive development. Over the past decade, India has rapidly evolved into one of the world's largest startup ecosystems, with more than 2 lakh startups as of December 2025. Major hubs like Bengaluru, Hyderabad, Mumbai, and Delhi-NCR have been at the forefront of this transformation. At the same time, smaller cities are also steadily contributing to the momentum with around 50% of the startups emerging from Tier II/ III cities, reflecting the democratisation of entrepreneurship.

- **Startups:** An Inspiration for Economic Growth
- Drive technological innovation and productivity
- Create large-scale employment opportunities
- Enhance financial inclusion and digital access
- Promote regional and grassroots entrepreneurship

Startups are increasingly bridging India's rural-urban divide by deploying solutions across agri-tech, telemedicine, microfinance, tourism, and ed-tech, directly addressing developmental gaps and supporting rural livelihoods. Within this landscape, women-led startups are emerging as a key driver of inclusive and regionally balanced growth, with more than 45% of recognised startups having at least one-woman Director/Partner as of December 2025. This reflects the emergence of innovation not only as an economic engine but also as a driver of social equity and balanced regional development.



The Startup India Initiative, led by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, has emerged as the cornerstone of India's innovation and entrepreneurial ecosystem. Over the past decade, the initiative has evolved from a policy-focused framework into a comprehensive, multi-dimensional platform supporting startups at every stage from ideation to scaling operations. This progress is reflected in India's high-value startup ecosystem, which has expanded from just four privately held companies valued above \$1 billion in 2014 to over 120 such firms today, with a combined valuation exceeding \$350 billion underscoring both the scale and growing global relevance of India's startup landscape.

Startups are leveraging India's young demographic dividend, generating employment across technology, services, and manufacturing sectors, while also creating indirect job opportunities through gig work and supply chains. Beyond employment, startups are increasingly collaborating with large corporates and multinational companies, facilitating technology transfer, scalability, and global market integration.

In traditional sectors, innovation is driving economy-wide impact: agri-tech platforms like Hesa are improving farmers' market access by bridging the rural-urban divide, while clean mobility startups such as Zypp are delivering scalable EV-based last-mile solutions. These innovations are producing multiplier effects across finance, supply chains, sustainability, and digital infrastructure, underscoring the broader ecosystem benefits of a thriving startup sector.

To accelerate innovation-led entrepreneurship, DPIIT, through the Startup India initiative, has rolled out the following flagship schemes and digital platforms to support funding, mentorship, and the scaling of startups nationwide.

### **Fund of Funds for Startups (FFS)**

The Fund of Funds for Startups (FFS) is a flagship initiative of the DPIIT under the Startup India Action Plan and is managed by the Small Industries Development Bank of India (SIDBI). With a corpus of ₹10,000 crore, the scheme supports SEBI-registered Alternative Investment Funds (AIFs), which in turn invest in startups, with the objective of expanding access to domestic risk capital and strengthening the entrepreneurial ecosystem.

The corpus of Rs. 10,000 crore has been committed to over 140 AIFs, which have collectively invested ₹25,500+ crore in 1,370+ startups.

### **Credit Guarantee Scheme for Startups**

The Credit Guarantee Scheme for Startups is implemented for enabling collateral free loans to startups through eligible financial institutions. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited. Under CGSS, 330+ loans worth over ₹800 crore have been guaranteed for startup borrowers.

### **Startup India Seed Fund Scheme (SISFS)**

With a corpus of ₹945 crore, the Startup India Seed Fund Scheme (SISFS) provides financial assistance to startups for activities such as proof of concept, prototyping, product trials, market entry, and commercialisation. The scheme is overseen by an Expert Advisory Committee (EAC), which is responsible for its implementation, execution, and monitoring.

The corpus of ₹945 crore have been approved to 215+ incubators to support early-stage startups under the scheme.

### **Startup India Hub**

The Startup India Online Hub is a one-of-a-kind digital platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other. The Startup Hub operationalizes this by connecting investors, mentors, and incubators with India's aspiring entrepreneur. It brings together funds, academic institutions, corporates, and government bodies.

### States’ Startup Ranking Framework (SRF)

The States’ Startup Ranking Framework (SRF) assesses states and Union Territories based on their startup-friendly policies and implementation, fostering competitive federalism to strengthen India’s entrepreneurial ecosystem. Under the framework, states and UTs are classified into categories such as Best Performers, Top Performers, Leaders, Aspiring Leaders, and Emerging Startup Ecosystems, encouraging healthy competition and continuous improvement in startup governance.

### National Mentorship Portal (MAARG)

The Mentorship, Advisory, Assistance, Resilience, and Growth (MAARG) program has been developed to provide startups across the country with easy access to mentorship. By connecting entrepreneurs with experienced mentors, the portal aims to support startup growth, offer strategic guidance, and strengthen the overall entrepreneurial ecosystem nationwide.

### Startup India Investor Connect Portal

Developed in collaboration with SIDBI, the Startup India Investor Connect Portal is a digital platform that connects startups with venture capital funds and investors, with a particular focus on early-stage ventures. The platform enables entrepreneurs to reach multiple investors through a single application and pitch their ideas efficiently.

In addition to Startup India, a range of sector-specific and ministry-led initiatives have reinforced India’s startup ecosystem by addressing technology development, rural entrepreneurship, academic innovation, and regional inclusion. These schemes ensure that startup support is broad-based, decentralised, and aligned with national development priorities.

| Scheme  | Ministry                                 | Objective                                |
|---|--|--|
| Atal Innovation Mission (AIM) (2016)  | NITI Aayog                               | Foster nationwide innovation culture     |
| GENESIS (Gen-Next Support for Innovative Startups) (2022)                                 | Ministry of Electronics & IT (Meity)     | Deep-tech startups in Tier II/III cities |
| Technology Incubation and Development of Entrepreneurs (TIDE 2.0) (2019)                  | Ministry of Electronics & IT (Meity)     | ICT startup incubation & scale-up        |
| MeiTY Startup Hub (MSH) (2016)  | Ministry of Electronics & IT (Meity)     | Integrate tech startup ecosystem         |
| NIDHI (National Initiative for Developing and Harnessing Innovations) (2016)              | Department of Science & Technology (DST) | Support S&T startups from idea to market |
| Startup Village Entrepreneurship Programme (SVEP) (2015)                                  | Ministry of Rural Development (DAY-NRLM) | Promote rural entrepreneurship           |
| ASPIRE (Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship) (2015) | Ministry of MSME                         | Strengthen rural enterprise incubators   |
| Prime Minister’s Employment Generation Programme (PMEGP) (2008)                           | Ministry of MSME (KVIC)                  | Subsidised credit for self-employment    |

### Atal Innovation Mission (AIM)

Launched in 2016 by NITI Aayog, the Atal Innovation Mission (AIM) is the Government’s flagship initiative that aims to foster a nationwide culture of innovation and entrepreneurship across schools,

universities, research institutions, startups, and industry. With an outlay of ₹2,750 crore up to March 2028, AIM provides an integrated framework to design innovation programmes, enable partnerships, and strengthen India's startup ecosystem.

### **AIM 1.0: Flagship Programs**

While closely working with various central and state ministries, incubators, and global partners, the flagship programmes under AIM promote the Indian startup ecosystem.

#### **Atal Tinkering Labs (ATLs)**

- The Atal Tinkering Lab (ATL) programme is focussed to reshape India's education landscape by moving students away from rote learning towards creativity, problem-solving, and innovation.
- With more than 10,000 ATLs spread across 733 districts, AIM is enabling millions of students to explore 21st-century skills such as AI, robotics, IoT, 3D printing, and beyond. While engaging over 1.1 crore students, it has enabled 16 lakh+ innovation projects.

#### **Community Innovator Fellowship (CIF)**

- Implemented in partnership with UNDP India, the programme equips aspiring community innovators with the knowledge, mentorship, and infrastructure support needed to drive grassroots entrepreneurship and social impact.
- In one-year intensive fellowship, each fellow is placed at an Atal Community Innovation Centre, where they gain SDG awareness, entrepreneurial and life skills, and hands-on experience in developing and refining their own innovation ideas.

#### **Youth Co:Lab program**

- Youth Co:Lab aims at empowering and investing in young people across Asia-Pacific to drive the SDGs through leadership, social innovation, and entrepreneurship.
- The programme highlighted theme-based national dialogues, through panels, workshops, and webinars, while also supporting youth-led ventures via long-term incubation and representation at regional summits.
- The Youth Co:Lab National Innovation Challenge 2024–25, in partnership with AssisTech Foundation, focused on enabling young entrepreneurs, including innovators with disabilities, to develop solutions that enhanced access and well-being for Persons with Disabilities across assistive technology, inclusive ed-tech and skilling, and care service models.

While AIM 1.0 focused on establishing innovation infrastructure and nurturing India's emerging ecosystem, AIM 2.0 (2024) is centred on piloting new initiatives that address ecosystem gaps and scaling proven models in collaboration with Governments, industry, academia, and communities. It is also strengthening the early-stage innovation pipeline by scaling the Atal Tinkering Labs (ATLs) ecosystem, which nurtures problem-solving and entrepreneurial mindsets among school students.

### **Programs under AIM 2.0**

- The Language Inclusive Program of Innovation (LIPI) focuses on reducing barriers for innovators, entrepreneurs, and investors who do not speak English through India's 22 scheduled languages by establishing 30 Vernacular Innovation Centres

- The Frontier Program seeks to design tailored innovation and entrepreneurship models for Jammu & Kashmir, Ladakh, the North Eastern states, and Aspirational Districts and Blocks through Atal Tinkering Labs.

### **GENESIS (Gen-Next Support for Innovative Startups)**

- The GENESIS initiative, a National Deep-tech Startup Platform by Ministry of Electronics and Information Technology (MeitY), was launched in July 2022, with an aim to scale up about 1600 technology startups through implementing agencies in Tier-II and Tier-III cities across India, providing significant funding and support for deep-tech innovation.
- With a budgetary outlay of ₹490 crore spread over five years, the scheme is positioned to accelerate and strengthen India's rapidly expanding technology startup ecosystem through collaborative engagement among various stakeholders- startups, government institutions, academia, and corporates.

### **MeitY Startup Hub (MSH)**

- Established in 2016, the MeitY Startup Hub (MSH) under the Ministry of Electronics and Information Technology (MeitY) promotes technology-led innovation and strengthen India's startup ecosystem. The Hub drives technology-led economic growth and innovation and acts as a central platform connecting incubation centres, Centres of Excellence on Emerging Technologies, and other platforms supported by the MeitY.
- As of December 2025, the MeitY Startup Hub (MSH) supports a thriving ecosystem comprising of over 6,148+ startups, more than 517 incubators and over 329 labs across the country
- Technology Incubation and Development of Entrepreneurs (TIDE) 2.0 Scheme
- Anchored within the Ministry of Electronics and Information Technology (MeitY), the TIDE 2.0 Scheme was introduced in 2019 to catalyse technology-driven entrepreneurship by strengthening incubators that support Information and Communication Technology (ICT) startups using emerging technologies such as IoT, AI, blockchain and robotics. The supported thematic include Healthcare, Education, Agriculture, Financial Inclusion (including digital payments), Infrastructure and Transportation and Environment and Clean Tech. It further seeks to offer holistic support across seven thematic areas aligned with national priorities. Support is channelled through 51 incubators situated in top academic institutions and national research organisations across the country.

### **NIDHI (National Initiative for Developing and Harnessing Innovations)**

- The National Initiative for Developing and Harnessing Innovations (NIDHI), launched in 2016 by the Department of Science and Technology (DST), Ministry of Science and Technology, acts as an umbrella programme for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups. The programme focuses on building an innovation-driven entrepreneurial ecosystem with the objective of socio-economic development through wealth and job creation.
- It has contributed to the economy by generating 1,30,000+ jobs, supported 12,000+ startups, backed 175+ Technology Business Incubator (TBI) and generated 1100+ IP (Intellectual Property).

### **Startup Village Entrepreneurship Program (SVEP)**

- Implemented in May 2015 as a sub-scheme under the Deendayal Antyodaya Yojana–National Rural

Livelihood Mission (DAY-NRLM), the SVEP aims to promote rural entrepreneurship by enabling households to set up and scale local enterprises.

- It aims to reduce poverty through self-employment and skilled wage employment resulting in sustainable and diversified livelihood options for the poor.
- SVEP bridges gaps in capital access and technical support for rural enterprises.
- Through these targeted interventions, the programme has supported 3.74 lakh enterprises as of 30 June 2025, strengthening local economies and enhancing income-generating opportunities at the grassroots level.
- ASPIRE (A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship)
- Launched by the Ministry of MSME in 2015, the scheme aims to promote innovation and entrepreneurship in rural and underserved areas. It focuses on setting up Livelihood Business Incubators (LBIs) for micro-enterprise creation, skilling and re-skilling opportunities, and workforce supply to industrial clusters.



## Financial Incentives

- For procurement of plant and machinery:
- A maximum of ₹ 1 crore to Government agencies
- ₹ 75 lakh to Private agencies
- For Operational Expenditures on manpower cost, running incubation and skill development programmers, etc.
- Maximum of ₹1 crore to Government and Private agencies as operational expenditure support towards manpower cost, running incubation and skill development programmers, etc.

## Prime Minister's Employment Generation Programme (PMEGP)

Conceived as India's flagship intervention to promote self-employment and grassroots enterprise creation, the Prime Minister's Employment Generation Programme (PMEGP) was brought into effect in 2008 by integrating the earlier Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) into a single, streamlined framework. The scheme is implemented through the Khadi and Village Industries Commission (KVIC) under the Ministry of MSME, ensuring wide outreach and effective last-mile delivery.

- As a Central Sector Scheme, it extends Margin Money (MM) support to General Category beneficiaries, covering 25% of the project cost in rural locations and 15% in urban areas.
- Special Category beneficiaries, comprising SC, ST, OBC, Minority, Women, Ex-servicemen, Persons with Disabilities, Transgender applicants, and individuals from the Northeastern Region, Hill and Border areas, and Aspirational Districts, are eligible for an enhanced Margin Money subsidy of 35% in rural areas and 25% in urban areas.
- The scheme also supports projects up to ₹50 lakh in the manufacturing sector and ₹20 lakh in the service sector.
- As India marks a decade of the Startup India Initiative, the country's startup ecosystem stands at an inflection point- moving decisively from rapid expansion to sustainable scale and deeper integration with the real economy.

### Suggestions

- The suggestions to improve the startup scenario in India.
- The entrepreneurs must undertake proper and cumbersome market research related to their products and services to know the present and future as well as past trends of market/buying behaviour.
- Entrepreneurs have to constantly educate themselves about the recent market.
- Proper management of resources and intellectual assets has to be made sure.
- Be competitive with the existing as well as future rivals.
- More and more incubation and acceleration centres are needed to be set up in the non-urban/rural areas.
- If the efforts of incubation centres and acceleration centres are realised fully, there is no doubt that India shall become the hub for the startups in the world, i.e., move towards becoming an entrepreneurial economy.
- We need to create an environment where entrepreneurs feel confident that they will not face any obstacles if they develop business models for the benefit of the poor.
- Government measures and subsidies are poised to significantly enhance the startup ecosystem in India by providing crucial support and incentives.

### Conclusion

India celebrates ten years of the Startup India initiative; the country has witnessed a remarkable transformation in its entrepreneurial landscape. A decade on, India's startup ecosystem represents not merely scale, but structural transformation built on demographic advantage, digital public infrastructure, and a sustained reform agenda. Startups are now embedded across priority sectors, driving innovation, employment generation, and global market integration. As India advances towards a \$7.3 trillion economy by 2030 and the broader vision of Viksit Bharat 2047, startups are poised to remain central to the country's development trajectory, serving both as catalysts of growth and as enduring symbols of India's future-ready, innovation-led economic model. As India continues its journey towards becoming a global leader in innovation, the Startup India programme remains a key driver of economic growth, fostering an inclusive and vibrant entrepreneurial ecosystem.

Startups in India face a variety of obstacles, including regulatory obstacles, inadequate infrastructure, and a lack of market knowledge. Successful businesses have shown that proactive measures can overcome

these challenges, such as performing in-depth research, building strong relationships with stakeholders, utilising technology, and asking for mentorship and advice from seasoned business owners. Due to a growing market and a thriving ecosystem, Indian startups have the opportunity to be highly successful and to aid in the country's economic growth. However, to thrive in this ecosystem, startups need to focus on key areas such as market research, building a strong team, fostering innovation, leveraging technology, forming strategic partnerships, and adopting a customer-centric approach. It is also crucial to stay updated on government support and initiatives that can provide valuable resources and funding.

The Startup India initiative has sparked a transformative era for the country's entrepreneurial ecosystem, positioning India as a global player. With a surge in startups, including a growing number of unicorns, and strengthened by robust digital infrastructure and strategic government support, India is now a key force in sectors like fintech, edtech, and healthtech. However, despite these accomplishments, challenges such as regulatory hurdles, funding limitations, a skills gap, and infrastructural deficits threaten to hinder future progress.

To build on the momentum of the past decade, India must tackle the obstacles by forging global partnerships, revolutionising skill development through industry-aligned training, and cultivating vibrant regional ecosystems in Tier 2 and 3 cities. With continued government support, a focus on innovation, and a commitment to addressing these challenges, India can solidify its current standing and ascend to the forefront of global innovation.

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