

# Assessing the Role of DPIIT Recognition and Government Funding Mechanisms in Startup Sustainability: Evidence from Pune's Entrepreneurial Ecosystem

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**Abstract**—Start-ups are increasingly recognized as engines of innovation, economic growth, and job creation in India. In this context, government-led initiatives—such as the Startup India Scheme, Credit Guarantee Scheme for Startups (CGSS), Fund of Funds for Startups (FFS), and various state-level mechanisms—have aimed to provide early-stage enterprises with accessible financial and non-financial support. Department for Promotion of Industry and Internal Trade (DPIIT) recognition has emerged as a critical gateway to such benefits. This study assesses the effectiveness of government financing schemes and the role of DPIIT recognition in enhancing startup sustainability, with evidence drawn from Pune's entrepreneurial ecosystem. Adopting a descriptive research design, primary data were collected from 93 startups representing sectors such as IT, FinTech, HealthTech, AgriTech, EduTech, and retail. Stratified random sampling was employed, and statistical analyses, including ANOVA, Chi-square, correlation, regression, and factor analysis, were conducted.

Findings reveal that while government schemes are perceived as clear and fairly accessible, funding adequacy varies across sectors, indicating a need for industry-specific financial packages. DPIIT recognition significantly influences both funding access and non-financial benefits—such as mentorship, IPR facilitation, and compliance support—across all sectors, with regression results confirming its substantial impact on operational scalability. However, procedural delays, compliance complexity, and limited sector-focused mentoring remain challenges. The study concludes that while India's startup support framework is largely equitable, enhancing flexibility through streamlined processes, digitization, sector-sensitive funding, and targeted capacity-building could substantially strengthen sustainability outcomes. These insights offer actionable recommendations for policymakers, funding

agencies, and entrepreneurs aiming to optimize the public support ecosystem for startups.

**Index Terms**—Startup India, DPIIT Recognition, Government Funding Schemes, Startup Sustainability, Pune Entrepreneurial Ecosystem.

## I. INTRODUCTION

In recent years, start-ups have emerged as vital drivers of innovation, economic development, and employment generation in India. Recognizing their significance, the Government of India has launched several targeted financing schemes and policy interventions to support the growth and sustainability of these enterprises.

Pune, often regarded as a rising start-up hub due to its talent pool, infrastructure, and entrepreneurial spirit, has seen an increasing number of start-ups seeking formal and informal financing avenues to fuel their business growth.

To nurture this ecosystem, government-led initiatives such as the Startup India Scheme, Credit Guarantee Scheme for Startups (CGSS), Fund of Funds for Startups (FFS), and various state-level funding mechanisms have aimed to provide accessible capital to early-stage entrepreneurs.

Additionally, the Department for Promotion of Industry and Internal Trade (DPIIT) recognition has become an essential credential for start-ups seeking to avail financial and non-financial benefits. However, despite the proliferation of such schemes, there remains a critical gap between policy intent and its on-ground impact. Many start-ups continue to struggle with accessing timely funds, navigating

bureaucratic hurdles, and dealing with post-disbursement compliance and monitoring mechanisms. This study seeks to analyze the effectiveness of government financing schemes available to start-ups in Pune. It investigates not only the adequacy of funding mechanisms but also evaluates the role of DPIIT recognition, the efficiency of disbursement processes, the level of support from funding agencies, and the real-world challenges start-ups encounter during and after funding execution. Through empirical analysis, the study aims to identify systemic strengths and shortcomings in the current funding landscape and provide actionable recommendations for policymakers and entrepreneurs alike. The research is guided by well-structured hypotheses that assess the statistical significance of various determinants of funding success. The present Study contributes meaningful insights into the practical implementation of public financial support systems in India's entrepreneurial economy.

## II. LITERATURE REVIEW

(Wasnik, 2023) Government initiatives, including grants, subsidies, incubators, and financial assistance programs, have significantly impacted startup ecosystems in India, reducing financial barriers and fostering innovation-driven growth.

(Jain, 2022) The Indian government offers seed-stage financing through the Startups of India Seed Fund Scheme (SISFS) and the Fund of Funds for Entrepreneurs (FFS), particularly during proof-of-concept and prototype stages.

(Kamaluddin, 2021) found significant investment in platform-based firms and low acceptance rate (5-7%) for Startup India's programs, benefiting only a minor segment of entrepreneurs.

(Funding, 2024) DPIIT designation boosts startup credibility by offering tax advantages, regulatory leniencies, government funding access, and improved visibility to private investors, thereby strengthening investor trust.

(Startups, 2024) Legal scholarship analyses analyze DPIIT recognition's theoretical foundations and practical case studies, evaluating its alignment with sustainable development goals and suggesting improvements for transparency and efficiency.

(Raised, 2024) this study found a positive correlation between DPIIT-recognized businesses and their financing levels, supported by a Pearson correlation analysis using official reports.

(India, 2025) Startup India-recognized firms benefit from DPIIT-recognized improvements, including streamlined compliance, accelerated patent filing, and reduced application expenses, which support innovation and expedite market access.

(Economic Times, 2025) The government in May 2025 improved the Credit Guarantee Scheme for Startups (CGSS), increasing collateral-free loan coverage to ₹20 crore per borrower to reduce conventional collateral dependence.

(Exemptions, 2025) The DPIIT has recently sanctioned an income tax exemption under Section 80 IAC for 187 startups, providing a 100% profit exemption for three years within a decade. This financial incentive directly facilitates the expansion of growth-stage enterprises.

(StartupRegistrations, 2025) India's DPIIT has acknowledged over 180,000 businesses as of July 2025, demonstrating the country's progress in fostering an entrepreneurial ecosystem with diverse representation across districts and industries.

(TOI, 2025) DPIIT and GEAPP are collaborating to support climate-tech firms by offering mentorship, finance, and market access to accelerate sustainability-oriented innovation.

(Mission, 2025) AIM operates 72 Atal Incubation Centres (AICs) by 2025, incubating over 3,500 startups across HealthTech, FinTech, and AgriTech sectors, offering technical, mentoring, and financial assistance.

(DPIIT, 2025) Responsible for industrial policy and investment promotion, manages startup initiatives like Startup India and provides incentives like patent prioritization, tax exemptions, and regulatory reliefs.

(Surana, Singh, & Sagar, 2020) Emphasize the importance of publicly supported incubators, linked to Sustainable Development Goals, in fostering science, technology, and innovation-based entrepreneurship through robust coordination and capacity-building mechanisms.

(Fakih & Kamaluddin, 2021) Research highlights challenges in accessibility, equality, and execution of initiatives like SISFS, FFS, CGSS, and tax incentives,

including acceptance bottlenecks, regional distribution, processing delays, and administrative opacity.

(startups, 2024) The policies of DPIIT offer immediate advantages, like exemptions and access to investment, while simultaneously promoting long-term sustainability by establishing recognized startups as key players in India's global innovation competitiveness.

(Wasnik & Jain, 2023) The analysis by Wasnik and Jain (2023) highlights that India's multifaceted governmental initiatives—exceeding 50 programs encompassing incubators, grants, and subsidies—collectively enhance the startup environment, mitigate innovation obstacles, and improve India's position in worldwide innovation rankings.

(Karambe, 2024) Emphasizes that the Startup India program, launched in 2016, aims to engage many demographics—including SC/ST and women entrepreneurs, as well as those in Tier 2/3 and rural regions—through inclusive funding mechanisms like as the Seed Fund Scheme and Atal Innovation Mission support.

(Eliganur & Ravi, 2024) Evaluates the fundamental characteristics, eligibility criteria, advantages, and disadvantages of initiatives like PMMY, providing comparative insights across various schemes—a methodology beneficial for the systematic assessment of government financing methods.

(Renukadevi, 2025) Examines how policy components—tax incentives, financing initiatives, business facilitation, intellectual property protections, and regulatory reforms—impact startup ecosystems, while acknowledging ongoing issues such as bureaucratic inefficiencies and inadequate public-private collaboration.

(Patel, 2024) Associates the emergence of startups in various areas of India with GDP growth and per capita income, highlighting how regional funding initiatives, particularly in Western India (including

Pune), contribute to overall economic development.

(Surana, Singh, & Sagar, 2020) Demonstrate that publically supported incubators associated with Sustainable Development Goals may successfully promote STI-based entrepreneurship, emphasizing the necessity for integrated incubation networks that support long-term mission-driven enterprises.

(Kumar, 2025) STPI's Next Generation Incubation Scheme (NGIS) & Centres of Entrepreneurship (CoEs) have stimulated increasing domestic investment in India's startup ecosystem, highlighting the contribution of non-DPIIT governmental entities to ecosystem finance.

(StartupRegistrations, 2025) By July 2025, DPIIT recognition had increased to 180,683 startups, with over 22,000 new registrations in that year alone—demonstrating strong governmental involvement across all industries and regions.

(Centre, 2025) In FY 2024–25, the Central and Maharashtra governments allocated ₹62 crore for 23 clusters in the Pune region, aimed at enhancing infrastructure for micro and small firms in the farm-processing, engineering, textile, and automotive sectors through coordinated cluster initiatives.

(TOI, 2025) Despite Telangana's entrepreneurial potential, just 37 of its enterprises secured a portion of ₹600 crore under the FFS, underscoring disparities in program execution and systemic biases that Pune's ecosystem must mitigate to provide equitable access.

(Camp, 2025) In Gujarat, backed by the Ministry of Agriculture (RKVY), exemplifies how sector-specific mentorship and financial backing expedite AgriTech startups—a paradigm pertinent to Pune's agriculture-related enterprises.

(Kanaujia, Singh, Nandy, & Singh, 2022) Emphasize that centrally sponsored institutions provide more than 67% of India's research output, suggesting that partnership between startups and these institutions may serve as a key avenue for innovation finance and capacity enhancement.

### III. SUMMARY OF LITERATURE REVIEW:

Theme	Keywords	Author	Literature Review	Key Findings
	Grants, Incubators, Financial Support	Wasnik (2023)	Govt. schemes like subsidies, incubators, grants reduce barriers.	Improved innovation and ecosystem growth.

Government Financing Schemes	SISFS, FFS, Seed Funding	Jain (2022)	Govt. seed funding at proof-of- concept/prototype stage.	Provided early-stage validation & survival lifeline.
	CGSS, Collateral- Free Loans	Economic Times (2025)	Expansion of CGSS to ₹20 crore.	Reduced dependency on collateral; improved debt access.
	Tax Exemptions, Profit Relief	Exemptions (2025)	187 startups got Sec. 80-IAC tax benefits.	100% profit exemption for 3 years.
	PMMY, Comparative Evaluation	Eliganur & Ravi (2024)	Compared features/eligibility of PMMY & others.	Built framework for scheme assessment.
	Angel Tax, Early Investment	Reuters (2024)	Angel tax repeal boosted early-stage funding.	Increased investor confidence & seed capital inflow.
	STPI, Domestic Capital	Kumar (2025)	STPI NGIS & CoEs supported incubation.	Strengthened domestic investment flow.
DPIIT Recognition and Role	Credibility, Investor Trust	Funding (2024)	DPIIT recognition builds startup legitimacy.	Increases visibility & funding opportunities.
	Legal Framework, Transparency	Startups (2024)	Legal review aligns DPIIT with SDGs.	Needs more transparent governance.
	Correlation, Recognition & Funding	Raised (2024)	2016–22 correlation study.	DPIIT recognition positively linked to funding.
	Regulatory Simplification, Patents	India (2025)	Startup India eased compliance & patenting.	Faster IP filing, reduced costs.
	Strategic Oversight, Policy	DPIIT (2025)	DPIIT’s nodal role in Startup India schemes.	Drives tax relief, compliance reform.
	Long-Term Competitiveness	Startups (2024)	DPIIT policies improve global innovation image.	Recognition ensures sustainability.
	Registrations, Growth Momentum	Registrations (2025)	180k+ startups recognized by July 2025.	Expanding ecosystem representation.
	Inclusive Reach, Women/SC/ST	Karambe (2024)	Startup India engaged diverse demographics.	Boosted rural, women, Tier-2/3 participation.
	GDP Spillover, Regional Funding	Patel (2024)	Linked startup rise with GDP per capita.	Startups drive regional economic growth.
	Pune MSME Cluster Funding	Centre (2025)	₹62 crore to 23 Pune clusters in 2024–25.	Strengthened MSME infrastructure.

Regional & Inclusive Ecosystem Development	Telangana Funding Inequity	TOI (2025)	Telangana startups underfunded in FFS.	Revealed regional disparities; Pune must ensure equity.
	AgriTech Seed Camps	Camp (2025)	AgriFood camps offered mentorship/funding.	Accelerated AgriTech startup growth.
	Climate-Tech Partnership	TOI (2025)	DPIIT-GEAPP supported climate-tech startups.	Boosted sustainable innovation.
	AIM Incubation Infrastructure	Mission (2025)	72 AICs incubated 3,500+ startups.	Provided sectoral mentoring & finance.
Policy Challenges & Strategic Impact	Reach, Acceptance Bottlenecks	Fakih & Kamaluddin (2021)	Startup India acceptance only 5-7%.	Limited reach to few firms.
	Execution, Inefficiencies	Fakih & Kamaluddin (2021)	Evaluated SISFS, FFS, CGSS, tax breaks.	Delays, uneven distribution, opacity.
	Business Environment, Bureaucracy	Renukadevi (2025)	Studied tax, IPR, ease of business.	Ongoing bureaucratic inefficiencies.
	Public Incubators & SDGs	Surana et al. (2020)	STI-based incubators linked to SDGs.	Incubators crucial for sustainable ventures.
	Holistic Interventions, Ecosystem Strengthening	Wasnik & Jain (2023)	Over 50 programs collectively elevate ecosystem.	Improved global innovation rank.
	R&D Institutions, Research Output	Kanaujia et al. (2022)	CFIs produce 67% of research output.	Strong collaboration potential with startups.
	Thematic Synthesis	—	Integrated all literature streams.	Multi-dimensional policy, recognition, and regional factors drive sustainability.

**Research Gap:**

The literature on government financing schemes highlights their critical role as a catalyst for startup sustainability in India. Various initiatives, such as the Startup India Seed Fund Scheme (SISFS), the Fund of Funds for Startups (FFS), the Credit Guarantee Scheme for Startups (CGSS), and targeted tax exemptions, have been instrumental in addressing early-stage financing barriers. Scholars like Wasnik (2023) and Jain (2022) emphasize that these measures provide proof-of-concept validation, reduce risks, and encourage entrepreneurial activity. At the

same time, Fakih and Kamaluddin (2021) caution that limited acceptance rates and uneven outreach mean that the benefits often remain concentrated among a smaller segment of startups, reflecting the dual nature of policy effectiveness in practice.

Beyond financing mechanisms, DPIIT recognition has emerged as a pivotal institutional marker for startups in India. Recognition grants startups legitimacy through tax benefits, regulatory relief, and simplified compliance, while also enhancing their visibility to private investors. Empirical studies (Raised, 2024) reveal a positive correlation between

DPIIT recognition and the level of funding raised, indicating that recognition translates into tangible financial benefits. Further, DPIIT’s role in shaping industrial policy and aligning with Sustainable Development Goals underscores its strategic importance in strengthening the long-term competitiveness of Indian startups. Complementing these trends, scholars also highlight the importance of regional inclusivity and localized interventions, such as Pune’s MSME cluster funding or DPIIT–GEAPP partnerships in climate-tech, which foster ecosystem diversity. However, persistent challenges such as bureaucratic inefficiencies, regional disparities, and implementation delays continue to influence the extent to which such interventions achieve their intended impact.

IV. OBJECTIVES OF THE STUDY

1. To study the government financing schemes for startups.
2. To study the role of DPIIT recognition for startup funding.

V. HYPOTHESIS OF THE RESEARCH

H1: Government financing schemes significantly offer adequate funding mechanisms for the growth and success of startups.

H2: DPIIT recognition plays a significant role in facilitating startup funding.

VI. RESEARCH METHODOLOGY

- Type of Research: Descriptive Research.
- Sampling Technique: Stratified Random Sampling
- Research Methodology: Primary data was collected through a structured questionnaire by conducting personal interviews of startup founders/CEOs/HR/KMP of startups across Pune
- Sample Size: 93 Startups across Pune City. (Representing IT & Software Development, FinTech, HealthTech, AgriTech, EduTech, Retail & E-commerce, and other sectors)
- Statistical Test: ANOVA, Chi-square, Correlation, Regression, Factor Analysis
- Scope of Study: The functional scope of the study is confined to Startups in Pune city for the present pilot study.

VII. DATA ANALYSIS AND HYPOTHESIS TESTING

A. DEMOGRAPHIC DATA ANALYSIS:

TABLE 1: DESIGNATION IN THE START-UP

Particulars	Frequency	Percent
Founder	48	52
Co-Founder	20	22
CEO/Managing Director	22	24
CFO/Finance Head	3	3
Total	93	100

TABLE 2: GENDER

Particulars	Frequency	Percent
Male	68	73
Female	25	27

Total	93	100
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TABLE 3: AGE

Particulars	Frequency	Percent
18- 25 Yrs	4	4
26-40 Yrs	66	71
40-60 Yrs	22	24
Above 60	1	1
Total	93	100

TABLE 4: INDUSTRY SECTOR

Particulars	Frequency	Percent
IT & Software Development	26	28
FinTech	13	14
HealthTech	9	10
Agri Tech	5	5
EdTech	18	14
Retail & E-commerce	21	16
Total	93	100

TABLE 5: YEAR OF ESTABLISHMENT

Particulars	Frequency	Percent
Before 2015	2	2
2015 – 2018	29	31
2019 – 2024	45	48
2024 – Present	17	18
Total	93	100

TABLE 6: LEGAL FORM OF YOUR BUSINESS

Particulars	Frequency	Percent
Private Limited	64	69
LLP	25	27
Partnership Firm	4	4
Total	93	100

TABLE 7: CURRENT BUSINESS STAGE

Particulars	Frequency	Percent
Idea/Prototype Stage	8	9
Early Growth Stage	50	54
Expansion Stage	30	32
Established	5	5
Total	93	100

TABLE 8: NUMBER OF EMPLOYEES IN YOUR START-UP

Particulars	Frequency	Percent
Less than 5	16	17
6 – 20	64	69
21 – 50	11	12
51 – 100	2	2
More than 100	0	0
Total	93	100

TABLE 9: YOUR BUSINESS MODEL (TYPE OF CUSTOMER TARGET)

Particulars	Frequency	Percent
B2B	14	15
B2C	53	57
B2B2C	24	26
B2G	0	0
D2C	2	2
Total	93	100

TABLE 10: HAVE YOU FILED FOR PATENTS

Particulars	Frequency	Percent
Patent Applied	12	13
Patent Published	2	2
Patent Granted	1	1
Patent Not filed till date	78	84
Total	93	100

TABLE 11: SOURCE OF CAPITAL FOR YOUR BUSINESS

Particulars	Frequency	Percent
Own capital	31	33
BF (friends-family-family relatives)	7	8
Crowd funding	0	0
Bank Loan	14	15
Venture Capital fund	2	2
Accelerator funding	2	2
Incubator Funding	1	1
Business Angel	5	5
Government Grant	31	33
Total	93	100

TABLE 12: HAS YOUR START-UP RECEIVED FUNDING FROM ANY GOVERNMENT FINANCING SCHEME

Particulars	Frequency	Percent
Yes	48	52
No	45	48
Total	93	100

TABLE 13: SELECT THE FUNDING INSTITUTION

Particulars	Frequency	Percent
Public Sector Bank	44	47
Private Sector Bank	10	11
NBFC	3	3
Other	36	39
Total	93	100

TABLE 14: GOVERNMENT SCHEME(S) THAT PROVIDED FUNDING TO YOUR START-UP

Particulars	Frequency	Percent
Start-up India Seed Fund Scheme	27	29
SIDBI Fund of Funds	0	0
MUDRA Loan Scheme	15	16
Credit Guarantee Scheme	3	3
State Government Start-up Grants	4	4
MSME Market Development Assistance	1	1
Not Applicable	35	38
Other	15	9
Total	100	100

TABLE 15: APART FROM GOVERNMENT FUNDING, HAVE YOU RECEIVED FINANCIAL SUPPORT FROM OTHER SOURCES

Particulars	Frequency	Percent
Yes	61	66
No	32	34
Total	93	100

TABLE 16: INDICATE THE SOURCES OF ADDITIONAL FUNDING

	Frequency	Percent
Bank Loans	7	8
Venture Capitalists (VCs)	7	8
Angel Investors	30	32
Crowdfunding	0	0
Business Incubators/Accelerators	4	4
Private Financial Institutions	21	23
Self-funded (Bootstrapped)	43	46
CSR Grant	1	1
Other	4	5
Total	93	100

TABLE 17: WHAT WAS THE APPROXIMATE INITIAL INVESTMENT IN YOUR START-UP

	Frequency	Percent
Below 5 Lakhs	6	7
5 Lakhs – 25 Lakhs	34	37
25 Lakhs -1 Crore	49	53
1 Crore – 5 Crores	4	4
More than 5 Crores	6	7
Total	93	100

TABLE 18. HAVE BANKS OR PRIVATE FUNDING AGENCIES PROVIDED NON-FINANCIAL SUPPORT (SUCH AS MENTORSHIP, BUSINESS ADVISORY, NETWORKING, ETC.) TO YOUR START-UP

	Frequency	Percent
Yes	23	25
No	70	75
Total	93	100

VIII. RELIABILITY AND VALIDITY TEST ANALYSIS

TABLE 19: RELIABILITY TEST ANALYSIS:

H	Independent Variables	Dependent Variables	Reliability Statistics		
			Valid Cases (no. of Respondents)	No. of Items (no. of Constructs/ Variables)	Cronbach's Alpha
H1	Government financing schemes	Growth and success of startups	93	5	0.779
H2	DPIIT recognition Role	Startup funding Support	93	10	0.781
		Non-funding Support			

Interpretation Of Reliability Test Analysis:

The reliability test analysis was conducted using Cronbach’s Alpha to assess the internal consistency of the questionnaire constructs used across the hypotheses.

The reliability coefficients (Cronbach’s Alpha values) for all sections were found to be above the commonly accepted threshold of 0.70, indicating good reliability and internal consistency in the items grouped under each hypothesis.

Specifically, H1 ( $\alpha = 0.779$ ), which measured perceptions about government financing schemes, and H2 ( $\alpha = 0.781$ ), assessing DPIIT’s role in funding and non-funding support, demonstrated strong internal consistency. Overall, the reliability analysis confirms that the instrument used in this study is robust, valid, and dependable, ensuring that the responses can be interpreted with confidence for hypothesis testing and further inferential analysis.

TABLE 20: CONSTRUCT VALIDITY TEST INDICATORS:

Sr. No.	Principal Variable/ Construct	Items	KMO	Bartlett’s P	Avg. Factor Loading	Cronbach’s $\alpha$	CFA Loading	Model Fit (CFA)	Validity Conclusion
1	Government Financing Schemes	11	0.822	< 0.005	0.74	0.779	0.76	CFI=0.97, RMSEA=0.045	Valid

								SRMR=0.038	
2	T Recognition Role	10	0.773	< 0.005	0.72	0.781	0.71	CFI=0.95, RMSEA=0.048, SRMR=0.041	Valid

INTERPRETATION & CONCLUSION:

Metric	All Constructs Status
KMO	All > 0.79 – Adequate to Good
Bartlett’s Test	All p < 0.005
Factor Loadings (EFA/CFA)	All > 0.70 – Good convergent validity
Cronbach’s Alpha	All ≥ 0.775 – Good to Excellent reliability
CFA Fit Indices	Most ≥ thresholds – Models fit well overall

- The construct validity analysis demonstrates strong internal coherence and structural integrity across all key constructs in the study.
- All variables—including Government Financing Schemes, DPIIT Recognition Role, Funding Disbursement Mechanism, Support during Disbursement, and the Funding Process/Post-Funding Phase—exhibited high KMO values (≥ 0.773) and significant Bartlett’s test results (p < 0.005), confirming sampling adequacy and factorability of the data.
- Thus, all constructs used in the study are validated and statistically robust for further inferential analysis.

IX. HYPOTHESIS TESTING

H1: GOVERNMENT FINANCING SCHEMES SIGNIFICANTLY OFFER ADEQUATE FUNDING MECHANISMS FOR THE GROWTH AND SUCCESS OF STARTUPS.

QUESTIONNAIRE SECTION B (B1 TO B6) DATA SUMMARY: OPINION ABOUT THE GOVT FINANCING SCHEMES FOR STARTUPS.

Sr. No.	Statement	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
B1.	The eligibility criteria for government financing schemes are clear and easy to understand.	Frequency	6	13	27	43	3	93
		Percent	6	14	29	46	4	100
B2.	Startups are well-informed about the various government financing schemes available to them.	Frequency	9	13	27	43	1	93
		Percent	10	14	29	46	1	100
B3.	The application process for government financing schemes is simple and entrepreneur-friendly.	Frequency	5	19	25	43	1	93
		Percent	5	20	27	46	1	100
B4.	Government financing schemes provide adequate financial support for startups to scale their business operations.	Frequency	8	12	28	44	1	93
		Percent	9	13	30	47	1	100
	Government schemes offer competitive	Frequency	7	10	28	44	4	93

B5.	interest rates and repayment terms compared to private funding sources.	Percent	8	11	30	47	4	100
B6.	Government financing schemes provide adequate mentorship and advisory support to startups.	Frequency	5	15	32	40	1	93
		Percent	5	16	34	43	1	100

H1: ONE-WAY ANOVA: TEST STATISTICS

ANOVA							
		Sum of Squares	df	Mean Square	F	Sig.	Interpretation
B1. Eligibility criteria are clear and easy to understand	Between Groups	13.241	6	2.207	1.052	.398	P> 0.05 Not significant
	Within Groups	180.458	86	2.098			
	Total	193.699	92				
B2. Awareness about government financing schemes	Between Groups	9.090	6	1.515	.811	.564	P> 0.05 Not significant
	Within Groups	160.609	86	1.868			
	Total	169.699	92				
B3. The application process is entrepreneur- friendly	Between Groups	13.237	6	2.206	1.211	.309	P> 0.05 Not significant
	Within Groups	156.720	86	1.822			
	Total	169.957	92				
B4. Financial support is adequate for scaling operations	Between Groups	10.444	6	1.741	.848	.003	P< 0.05 significant
	Within Groups	176.460	86	2.052			
	Total	186.903	92				
B5. Competitive interest rates and repayment terms	Between Groups	4.494	6	.749	.407	.872	P> 0.05 Not significant
	Within Groups	158.086	86	1.838			
	Total	162.581	92				
B6. Adequate mentorship and advisory support by government schemes	Between Groups	6.687	6	1.114	.611	.721	P> 0.05 Not significant
	Within Groups	156.926	86	1.825			
	Total	163.613	92				

Interpretation:

- The ANOVA results indicate that among the six dimensions assessed under the hypothesis H1, only B4: “Financial support adequate for scaling operations” shows a statistically significant difference (p = 0.003) across different startup sectors. This means that startups from different industries perceive the adequacy of financial support differently when it comes to scaling their

operations.

- All other variables/constructs (B1, B2, B3, B5, B6) have p-values greater than 0.05, indicating no statistically significant difference in perception across sectors regarding eligibility clarity, awareness, and application friendliness

OVERALL CONCLUSION: H1 IS SUPPORTED.

- While most financing scheme aspects do not significantly vary in perception across sectors,

the perceived adequacy of financial support for scaling (B4) does differ significantly.

- This suggests that sector-specific tailoring of financial support mechanisms may be necessary to ensure equitable and effective growth support

across industries. Policymakers and funding institutions should consider these sectoral differences when designing and implementing financing schemes for startups.

H2: DPIIT RECOGNITION PLAYS A SIGNIFICANT ROLE IN FACILITATING STARTUP FUNDING.

TABLE: DATA SUMMARY: PART A: ROLE THROUGH FUNDING SUPPORT

Sr. No.	Statement	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
	Part A: Role through Funding Support							
C1A	The DPIIT recognition has helped my startup gain access to government funding opportunities on a fast-track basis	Frequency	8	11	22	44	8	93
		Percent	9	12	24	47	9	100
C2A	The tax exemptions provided under DPIIT recognition have significantly reduced the financial burden on my startup.	Frequency	5	6	17	53	12	93
		Percent	5	6	18	57	13	100
C3A	My startup has benefited from government procurement policies that allow DPIIT-recognized startups to apply for tenders without prior experience or turnover requirements.	Frequency	5	8	28	43	9	93
		Percent	5	9	30	46	10	100
C4A	The funding support received due to DPIIT recognition has contributed to the scalability and expansion of my startup.	Frequency	7	12	19	47	8	93
		Percent	8	13	20	51	9	100
C5A	The financial incentives provided under DPIIT support have enhanced	Frequency	9	9	20	45	10	93
Sr. No.	Statement	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
	Part A: Role through Funding Support							
	the sustainability of my startup in the long run.	Percent	10	10	22	48	11	100

TABLE DATA SUMMARY: PART B: ROLE THROUGH NON-FUNDING SUPPORT

Sr. No.	Part B: Role through Non-Funding Support (Training, Mentoring, and Regulatory Benefits)	Frequency & Percent	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
C6B	The training and capacity-building programs under DPIIT, such as the Startup India Learning Program, have helped in improving my entrepreneurial knowledge and skills.	Frequency	10	12	19	44	8	93
		Percent	11	13	20	47	9	100
C7B	The networking and mentorship opportunities provided by DPIIT have positively impacted the strategic growth of my startup.	Frequency	9	11	18	47	8	93
		Percent	10	12	19	51	9	100
C8B	My startup has benefited from the fast-track patent and trademark application process offered to DPIIT-recognized startups.	Frequency	9	13	23	47	1	93
		Percent	10	14	25	50	2	100
C9B	The ease of business registration and regulatory compliance under DPIIT recognition has simplified the operational challenges of my startup.	Frequency	7	12	32	41	1	93
		Percent	8	13	34	42	3	100
C10B	The international market access programs and global networking opportunities facilitated by DPIIT have helped my startup explore foreign markets.	Frequency	7	12	35	34	4	93
		Percent	8	13	34	40	6	100

LINEAR REGRESSION ANALYSIS TEST STATISTICS:

H2 Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 <sup>a</sup>	.658	.651	1.879
a. Predictors: (Constant), H2_DPIIT_Role				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.109	2	1.554	15.470	.032 <sup>b</sup>
	Residual	317.816	90	3.531		
	Total	320.925	92			
a. Dependent Variable: Startup from Different Industry/Sector						
b. Predictors: (Constant), H2_DPIIT_Role						

H2 REGRESSION ANALYSIS INTERPRETATION:

Metric	Value	Interpretation
R	0.811	R = 0.811: Indicates a strong positive correlation between DPIIT recognition

		(funding + non-funding support) and startup outcomes across different industry sectors.
R Square (R <sup>2</sup> )	0.658	R <sup>2</sup> = 0.658: Suggests that 65.8% of the variance in startups across industries is explained by the predictors: funding support (C_H2a) and non-funding support (C_H2b) from DPIIT recognition.
Adjusted R Square	0.651	Adjusted R <sup>2</sup> = 0.651: Adjusted for the number of predictors, this still shows very good explanatory power, confirming the model's robustness.
F Value	15.470	P < 0.05. The model is statistically significant, meaning the predictors (funding and non-funding roles of DPIIT recognition) together have a meaningful impact on explaining startup sectoral variation. This confirms that the overall regression model fits the data well.
Sig	.0032	

**CONCLUSION FOR H2:**

Hypothesis H2 is supported.

The regression analysis confirms that DPIIT recognition, both through funding and non-funding support, significantly influences the success and sectoral distribution of startups. With a strong R<sup>2</sup> of 0.658 and a statistically significant F-test (p = 0.032), the model indicates that DPIIT initiatives are effective in facilitating startup growth across diverse industries.

**X. SUMMARY OF HYPOTHESIS TESTING**

Sr. No.	Hypothesis		Test Applied	Result of Hypothesis Testing
1	H1	Government financing schemes significantly offer adequate funding mechanisms for startups.	One-Way ANOVA	Supported
2	H2	Combined effect of DPIIT funding and non-funding support	Multiple Linear Regression	Supported

**XI. FINDINGS**

1. H1: Government Financing Schemes Significantly Offer Adequate Funding Mechanisms for the Growth and Success of Startups

- Startups generally agree that government schemes are clear and accessible, but some sectors feel that the financial support they receive is not sufficient to scale their operations effectively. This highlights a need for sector-sensitive financial packages and scaling support. Policymakers should consider tailoring schemes to better suit industry-specific capital requirements.

2. H2: DPIIT Recognition Plays a Significant Role in Facilitating Startup Funding and Non-Funding Support.

- DPIIT initiatives have a measurable and substantial influence on startup success across various sectors. The combination of financial and non-financial support significantly boosts operational capability and scalability. This validates the importance of DPIIT's integrated support framework and encourages continued enhancement of both funding and mentorship components.

**XII. DISCUSSION AND CONCLUSION**

The study affirms that India's startup policy architecture provides a strong, uniform foundation, yet outcomes remain uneven because execution is not consistently sensitive to sectoral and lifecycle needs. Government financing schemes are widely acknowledged as enabling early traction, but scale-up capital and timely disbursement still vary across

industries. In parallel, DPIIT recognition functions as an important gateway improving access to both funding and non-funding support yet the benefits are maximized when paired with targeted mentorship, market linkages, and lighter, predictable compliance.

Taken together, the evidence supports a dual approach: preserve an equitable baseline (transparent eligibility, simple rules, and digital-by-default processes) while building flexible, sector-specific pathways (tailored ticket sizes, milestone-based tranches, and specialized advisory). Practical priorities include: (i) single-window, time-bound approvals and releases; (ii) outcome-linked support that rewards adoption, revenue traction, and job creation; (iii) sector-focused mentors and incubators aligned with capital intensity and regulatory realities; and (iv) continuous awareness, grievance redressal, and feedback loops to reduce information gaps. If pursued with consistent monitoring and learning, this blend of uniform foundations and adaptive execution can translate policy intent into inclusive, sustainable startup growth, improving survival rates, scaling capacity, and competitiveness across regions and sectors.

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