

Top Government Schemes for Startups in India

Startup India Initiative

Launched
2016

Objective

To promote innovation and entrepreneurship by providing tax exemptions, funding support, and easier compliance for startups.

Key Benefits

- 3-year tax holiday
- Fund of Funds with ₹10,000 Cr corpus
- Simplified compliance and self-certification under labor laws.

Stand-Up India

Launched
2016

Objective

To support SC/ST and women entrepreneurs by providing bank loans.

Key Benefits

- Loan between ₹10 lakh to ₹1 crore
- Available for manufacturing, services, or trading businesses.
- Encourages inclusivity in entrepreneurship.

Startup India Fund of Funds (FFS)

Launched
2016

Objective

To support venture capital and alternate investment funds that finance Indian startups.

Key Benefits

- ₹10,000 crore corpus distributed via SIDBI to eligible venture funds.
- Indirect funding model, supporting multiple startups through VCs.
- No direct investment in startups, but facilitates capital infusion through institutional investors.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Launched

2000

Objective

To provide collateral-free loans for MSMEs and startups.

Key Benefits

- Credit guarantee up to ₹2 crores.
- Encourages banks to lend to startups without security.
- Helps in easy access to institutional credit.

Atal Innovation Mission (AIM)

Launched

2016

Objective

To foster innovation and entrepreneurship in schools, colleges, and startups.

Key Benefits

- Establishment of Atal Tinkering Labs (ATL) in schools.
- Atal Incubation Centers (AIC) to support startups.
- Seed funding and mentoring for innovative projects.

SAMRIDH Scheme (Startup Accelerator of MeitY for Product Innovation, Development & Growth)

Launched
2021

Objective

Supports early-stage startups in scaling their product development by mentorship and access to funding.

Key Benefits

- Provides financial support of up to ₹40 lakh per startup by co-investing with VCs or angel investors.
- Provides access to corporate accelerators, mentorship programs, and industry networks.
- Focuses on deep-tech and digital innovation.

Support for International Patent Protection in Electronics & IT (SIP-EIT)

Launched

2014

Objective

To support startups in filing patents internationally.

Key Benefits

- Reimbursement of up to ₹15 lakhs per patent.
- Encourages R&D and innovation.
- Strengthens intellectual property rights for Indian startups.

Digital India Bhashini Initiative

Launched

2022

Objective

To support Indian startups working in AI-based language technology, NLP, and multilingual technologies.

Key Benefits

- Government support for AI-driven language solutions.
- Encourages startups developing Indic language-based technology.
- Helps businesses reach regional audiences digitally.

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E-Marketplace (GeM) for Startups

Launched

2016

Objective

To provide startups direct access to government procurement.

Key Benefits

- Startups can register as sellers on the GeM portal.
- No tender requirements for certain startups.
- Direct visibility to government buyers.

MeitY Startup Hub (MSH)

Launched

2019

Objective

To support deep-tech startups in IT, AI, cybersecurity, and fintech.

Key Benefits

- Financial support and accelerator programs.
- Access to government R&D labs.
- Encourages innovation in digital and technology sectors.

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Startup India Seed Fund Scheme (SISFS)

Launched

2021

Objective

To provide seed funding for early-stage startups to develop prototypes and conduct market validation.

Key Benefits

- Grants up to ₹20 lakhs for prototype development.
- Investment of up to ₹50 lakhs as convertible debentures.
- Support from incubators across India.

Aatmanirbhar Bharat App Innovation Challenge

Launched

2020

Objective

To promote indigenous app development by Indian startups and entrepreneurs.

Key Benefits

- Financial rewards for top apps across multiple categories.
- Encourages development in AI, gaming, e-learning, health, and fintech.
- Support for scaling successful apps in global markets.

SPICe+ (Simplified Proforma for Incorporating a Company Electronically)

Launched

2020 (as an upgrade to SPICe)

Objective

To streamline company incorporation and related regulatory approvals through a single-window online process.

Key Benefits

- Provides integrated services for company incorporation, including PAN, TAN, GST, EPFO, ESIC, and bank account opening in a single application.
- Reduces compliance burden and time required for business registration.
- Mandatory for all new company registrations, including Private Limited Companies, One Person Companies (OPCs), Section 8 Companies, and Producer Companies incorporated in India.

Software Technology Park (STP) Scheme

Launched

1991

Objective

To boost the IT and software export sector through infrastructure support and tax benefits.

Key Benefits

- 100% tax exemption on software exports.
- Duty-free import of capital goods.
- Access to world-class infrastructure and incubation facilities.

Dairy Processing and Infrastructure Development Fund (DIDF)

Launched

2017

Objective

Primarily supports cooperatives and dairy unions, but private sector participation is possible through strategic partnerships.

Key Benefits

- Long-term loans at concessional interest rates.
- Financial assistance for milk processing, chilling plants, and modern dairy equipment.
- Strengthens the dairy value chain for entrepreneurs.

MUDRA Banks (Pradhan Mantri MUDRA Yojana – PMMY)

Launched

2015

Objective

To provide micro-financing support for small businesses and startups (in service sector and small trading businesses).

Key Benefits

- Loans under three categories: Shishu (₹50,000), Kishor (₹5 lakh), and Tarun (₹10 lakh).
- No collateral required.
- Encourages self-employment and entrepreneurship among micro and small enterprises (MSEs), particularly non-corporate small businesses in manufacturing, trading, services, and select agriculture-allied activities.

Multiplier Grants Scheme (MGS)

Launched

2016

Objective

To encourage collaboration between startups and academic institutions for R&D projects.

Key Benefits

- The government matches industry contributions for R&D projects.
- The maximum grant for individual industry projects is ₹2 crore, but for collaborative projects, it can go up to ₹10 crore.
- Supports innovation in electronics, IT, and software products.


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 support@treelife.in

 www.treelife.in

 +91 99301 56000
+91 22 6852 5768

 Mumbai | Delhi |
Bangalore | GIFT City