

A Study on Performance Evaluation of the Start-Up India Initiative with Special Reference to Shivamogga District

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The Indian government is increasingly promoting entrepreneurship development to enhance economic growth, with the Start-up India Initiative launched in 2016 emerging as a flagship programme to build a strong start-up ecosystem; as of December 2024, over 1.57 lakh DPIIT-recognized start-ups across more than 700 districts have been supported to foster innovation, investment, and employment generation in India. The Government plans to empower start-up ventures to boost entrepreneurship. The present study examines the growth and performance of start-up enterprises across various sectors in Shivamogga district. The research focuses on growth and development of startups in the study area. The study adopts an analytical research approach based on primary data collected from 330 start-up entrepreneurs selected through a structured survey method. Descriptive statistics, Paired samples T-test and Correlation were used for the evaluation of performance levels of Start-up enterprises operating in different sectors within Shivamogga district. The study analyses key performance indicators in terms of revenue growth, innovation and market expansion and also evaluates the funding access and government support in shaping of startup success.

Keywords: start-up india initiative, startup recognition, start-up performance, innovation ecosystem, entrepreneurship promotion & development, funding support, startup ecosystem

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1. Introduction

1.1 Background of the Study

Start-up enterprises have emerged as a vital driver of economic growth, innovation, and employment generation in recent years. In India, the promotion of startups through initiatives such as Startup India has significantly encouraged entrepreneurial activities across both urban and semi-urban regions. Indian start-ups are playing a vital role in the country's economic development through creating of jobs, generating revenue and disrupting traditional industries working towards innovation and technological advancement.

In recent years, the Indian startup ecosystem has growing rapidly and the number of startups in India has increasing every year. This growth has been driven by a number of factors, including the support of government in promoting entrepreneurship and increasing availability of venture capital. Indian startups are operating in a wide range of industries, including e-commerce, fintech, healthcare, education, and logistics. Indian startups are having a positive impact on the Indian economy in a number of ways. In fact, startups are the largest creators of jobs in India, they are the drivers of innovation and technological advancement. Start-ups are constantly developing new products and services that are improving the lives of people of India and developed innovative solutions in different field such as healthcare, education, and agriculture also. Highly educated and talented young entrepreneurs are increasingly showing interest in launching startup ventures. In recent years, many Indian startups have received substantial funding from Government, professional investors and public companies, indicating the growing global trust in Indian entrepreneurial ventures and their ability to compete with international players.

1.2 Review of Literature

This segment of the research paper presents the past reviews, which has conducted on the Start-up program, the assessment of performance evaluation useful in an emerging Entrepreneurial ecosystem.

- **Santoshi (2023)**, analysed role of India startups towards economy in the modern millennium the growth of startups in India for a period of six years from 2016 to 2022. The study used secondary data.

It states that there is tremendous growth in startups from 2016 to 2022, increasing from 471 to 26,542 and also contributed towards GDP and GNI. According to the economic survey 2022 report, after the United States and China, India is now the third- largest startup eco system globally.

- **Rajroop Singh Chahal and Abhishek Chahal (2022)**, investigated role of start-ups in FDI inflows to India. After the implementation of the Startup India initiative along with action plan in 2016 by the Government of India. The FDI inflows has been significantly increased. In 2016, the amount of FDI inflow was USD 55.55 billion, which increased to USD 83.57 billion in 2022. It indicates a very significant, favourable, and positive impact on FDI inflows in India.
- **Girnara Monaben (2020)**, examined Impact of Startups on the Indian Economy, indicates the contribution of startups to the growth of GDP and they have a positive impact on the development of the Indian economy. The study also highlighted that the government has been encouraging individuals to establish startup businesses, which is expected to support the future growth of the Indian startup ecosystem.
- **Aleksandar Vekic (2017)**, investigated the role of various institutions and their support models in developing the startup ecosystem and contributing to economic growth. The study indicated that several institutional actors, such as financial institutions, incubators, accelerators, clusters, venture capital funds, and angel investors, provide a wide range of assistance and support programmes that facilitate the growth and development of startups.

1.3 Research Gap

Startups play an important role in economic growth and job creation thereby strengthen the nation and contribute to economic dynamism by innovation and competition. Government through this initiative aims to empower startups to grow through innovation, therefore startups can be found in prominent sectors by addressing specific market needs. They attract investment and foster a vibrant entrepreneurial ecosystem. Startups are growing rapidly and they can also revitalize regional economies by creating opportunities in underdeveloped areas.

The efforts of the government have led to an increase in the number of recognized startups.

In all the sectors of the Indian economy, start-ups are operating business and enhancing productivity creating employment opportunities and reducing inequalities of income and wealth, thereby contributing to the economic growth of the nation. The sectors like entertainment, deep tech, transport tech, logistics and agri tech are among the top most sectors in terms of total valuation and funding. The countries talented workforce, entrepreneurial and innovation spirit and ongoing digital transformation have made India third largest start-up ecosystem in the world. India ranks second in innovation quality and ninth in terms of finance start-ups, they are operating in more than 670 districts throughout the country. These are the problems addressed, and which fill the research gap in performance evaluation of start-ups in Shivamogga district.

1.4 Objective of the Study

To evaluate the startup India initiative has influenced the growth and development of startups in the Shivamogga district.

1.5 Hypothesis Testing

H_0 : The Start-up India initiative has no significant influence on the growth and development of start-ups in the Shivamogga district.

H_1 : The Start-up India initiative has a significant influence on the growth and development of start-ups in the Shivamogga district.

2. Research Methodology

2.1 Research Design

Analytical Research Approach is chosen for studying the performance evaluation of Start-up initiatives in Shivamogga district.

2.2 Population of the Study

The population for the study consists of all the registered and functioning start-up industries in Shivamogga district.

2.3 Sample Size

A total of 330 start-up industries were selected for the study. The sample includes units from different sectors such as services, manufacturing, trading and technology-based activities,

ensuring representation of the major categories of start-ups in the in Shivamogga district.

2.4 Scope of the Study

The scope of this study is limited to start-up enterprises located in Shivamogga District for analysing the growth patterns and performance levels of startup enterprises operating in different sectors within Shivamogga district.

2.5 Statistical Tools and Techniques

Descriptive statistics, Paired samples T-test and Correlation were used for the evaluation of performance levels of Start-up enterprises operating in different sectors within Shivamogga district.

3. Results and Discussion

Table No: 3.1: Table Representing the Annual Revenue of Startups

Sl. No	Annual Revenue	Frequency	Percentage
1	1-5 Lakhs	83	25.2
2	5 - 10 Lakhs	131	39.7
3	10 - 25 Lakhs	99	30.0
4	25 Lakhs - 1 Crore	17	5.2
	Total	330	100.0

(Source: Field Survey)

Interpretation: Table 3.1 denotes the classification of respondents based on the annual revenue of their start-ups at the end of the first full year of operation. The table shows that 83 respondents (25.2%) generated annual revenue between ₹1 lakh and ₹5 lakhs, 131 respondents (39.7%) earned between ₹5 lakhs and ₹10 lakhs, 99 respondents (30.0%) generated revenue between ₹10 lakhs and ₹25 lakhs, and 17 respondents (5.2%) reported annual revenue between ₹25 lakhs and ₹1 crore.

The study found that, out of the total 330 respondents, the highest proportion of start-ups (39.7%) generated annual revenue between ₹5 lakhs and ₹10 lakhs during their first full year of operation. This indicates that most start-ups were able to generate moderate revenue levels during their initial year of operation, reflecting a positive start and gradual business growth in the early stages of their entrepreneurial journey.

Table 3.2: Table Representing Current Annual Revenue

Sl. No	Annual Revenue	Frequency	Percentage
1	1-5 Lakhs	40	12.1
2	5 - 10 Lakhs	140	42.4
3	10 - 25 Lakhs	112	33.9
4	25 Lakhs - 1 Crore	38	11.5
	Total	330	100.0

(Source: Field Survey)

Interpretation: Table 3.2 denotes the classification of respondents based on the current annual revenue of their start-ups. The table shows that 40 respondents (12.1%) generate annual revenue between ₹1 lakh and ₹5 lakhs, 140 respondents (42.4%) earn between ₹5 lakhs and ₹10 lakhs, 112 respondents (33.9%) generate revenue between ₹10 lakhs and ₹25 lakhs, and 38 respondents (11.5%) report annual revenue between ₹25 lakhs and ₹1 crore.

The study observed that, out of the total 330 respondents, the largest proportion of start-ups (42.4%) currently generate annual revenue between ₹5 lakhs and ₹10 lakhs. A comparison with the revenue earned during the first full year of operation indicates an increase in the proportion of start-ups generating higher revenue, particularly in the ₹25 lakhs to ₹1 crore category. This suggests that many start-ups have experienced revenue growth over time, reflecting improved business performance and expansion in their operations.

Table 3.3: Table representing the Change in Revenue

Sl. No	Changes in Revenue	Frequency	Percent
1	Increased a little	55	16.7
2	Increased moderately	215	65.2
3	Increased greatly	60	18.2
	Total	330	100.0

(Source: Field Survey)

Interpretation: Table 3.3 denotes the classification of respondents based on the change in revenue experienced since engaging with the Start-up India initiative. The table shows that 55 respondents (16.7%) reported that their revenue increased to a little extent, 215 respondents (65.2%) indicated that their revenue increased moderately, and 60 respondents (18.2%) stated that their revenue increased greatly after engaging with the initiative.

The study finds that, out of the total 330 respondents, the majority of start-ups (65.2%) experienced a moderate increase in revenue after engaging with the Start-up India initiative. This indicates that the Start-up India initiative has contributed positively to the revenue growth of start-ups, helping them strengthen their business performance and achieve greater financial stability.

Paired Samples T Test

Table No. 3.4: Table Representing Paired Samples T Test Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Annual Revenue (First Year)	3.382	330	0.5510	0.0303
	Current Annual Revenue	4.291	330	0.4871	0.0268

(Source: Author's Calculation)

Interpretation: Table 3.4 shows the descriptive statistics for revenue during the first year of operation and the current revenue of the start-ups. The mean value of current revenue is higher than the mean value of first-year revenue, it indicates that the start-ups have experienced growth after receiving support under the Start-up India initiative.

Table 3.5: Table Representing Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Annual Revenue & Current Annual Revenue	330	0.446	0.001

(Source: Author's Calculation)

Interpretation: Table 3.5 denotes the correlation between Annual Revenue and Current Annual Revenue of startups. The table shows that the correlation coefficient (r) between Annual Revenue and Current Annual Revenue is 0.446, with a significance value (p-value) of 0.000, based on 330 observations.

Hence, there is a moderate positive correlation between Annual Revenue and Current Annual Revenue, indicating that startups with higher past revenue tend to have higher current revenue. Since the p-value (0.001) is less than 0.05, the relationship is statistically significant. This implies that revenue performance has improved over time, reflecting growth and continuity in the financial performance of startups.

Table 3.6: Table Representing Paired Samples T Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Annual Revenue - Current Annual Revenue	-0.9091	0.5493	0.0302	-0.9686	-0.8496	-30.064	329	0.001

(Source: Author's Calculation)

Interpretation: Table 3.6 exhibits the paired samples t-test compares the revenue before and after the implementation of Start-up India support. The obtained p-value is 0.001. Hence, the null hypothesis is rejected, and Alternative hypothesis is accepted, it can conclude that the Start-up India initiative has a significant influence on the growth and development of start-ups in the selected district.

4. Conclusion

Start-up enterprises in Shivamogga district have shown considerable growth across different sectors, contributing to local economic development. The analysis of startups in the study area indicates that performance varies significantly among key performance indicators such as revenue generation and employment creation reflect the positive impact of startups in the region. However, challenges like limited access to finance, infrastructural gaps and competition in the market affect overall performance. Government support initiatives, including Startup India, have played a supportive role but require better implementation at the grassroots level. Strengthening incubation facilities and improving financial access can enhance startup sustainability. The research consists of some limitations while conducting the study. The study does not include start-ups outside the district. The findings indicate specifically for the entrepreneurial environment of Shivamogga district.

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