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GOVERNMENT SCHEMES AND SUBSIDIES FOR START-UPS IN GREEN PRODUCTS: A PERSPECTIVE ON SALEM DISTRICT

K.Kalaiyarasi* Dr.M.Manivannan**
**Ph.D Research Scholar (P/T), PG and Research Department of Commerce,AVS College of Arts and Science (Autonomous), Ramalingapuram, Salem.*
***Principal, AVS Arts and Science College, Omalur, Salem.*

Abstract
India has become one of the most rapidly expanding startup ecosystems globally, and to a large extent this has been fueled by the proactive government support. Government schemes for startups in India targets to make it easier to start a business, whether through ease of compliance or access to funds, to enhance innovation. Since the introduction of the startup India mission in 2016, the government has continued to roll out various policies, tax reliefs, and subsidies to enable the upcoming entrepreneurs transform their ideas into a successful business. Green products are environmentally friendly items made from sustainable materials, which may include both products and services offered by companies to minimize their environmental impact. The growing awareness among consumers about sustainability has prompted companies to explore inventive methods for reducing their ecological footprint. As consumer demand for green products continues to rise, manufacturers must adapt their production methods to remain competitive. The study aims to examine the production of green products and government support, etc.

Key words: Government Schemes and Subsidies, Green products, Startup, Ecosystems Globally, Eco-friendly, Awareness.

Introduction

A green product is a sustainable product designed to minimize its environmental impacts during its whole life-cycle and even after it's of no use. Green products are usually identified by having two basic goals – reducing waste and maximizing resource efficiency. They are manufactured using toxic-free ingredients and environmentally-friendly procedures and are certified by recognized organizations like Energy star, Forest Stewardship Council, etc. Characteristics of a green product are: Grown without the use of toxic chemicals and within hygienic conditions and can be recycled, reused and is biodegradable in nature Comes with eco-friendly packing Uses the least resources Is eco-efficient has reduced or zero carbon footprint and has reduced or zero plastic footprint. Starting a business in India has been made easier through more than 50+ government schemes and subsidies on startups in India. Tax incentives under the Startup India program, along with the benefits of a **Startup India certificate** as well as Mudra loan, SIDBI funds, and Make in India incentives will provide endless opportunities to develop. Whether you are a tech-innovator under Digital India, a manufacturing innovator under Atmanirbhar Bharat, startups are getting the right starting point thanks to these initiatives. Founders have the resources to innovate and expand on a global level and the confidence to do so because of government-backed support. Any aspiring entrepreneur must keep up with such policies.

Definition of Green Product

Green products are those that do not harm the environment and are made from sustainable materials. They may be products or services produced by a company in order to reduce its impact on the environment. Consumers have become increasingly aware of the importance of sustainability, which is leading companies to find creative and innovative ways to reduce their environmental footprint. As

more consumers opt for green products, manufacturers must adjust their production processes accordingly in order to meet these demands and stay competitive in the market. In this article, we will discuss what green products are, as well as some examples of environmentally-friendly solutions on the market today.

Conceptual Framework

Methodology

The purpose of this study is to examine the impact of green practices from the determinants of GPSI success in implementing sustainable development goals with SPSSP. This study considers three capabilities, namely TMC, PPP, and PSP. The development and validation of models for measuring SPSSP involve the following stages: theoretical exploration of green practices and expert opinions: data collection, questionnaire design, and surveys presented. The study uses structural equation modeling (SEM).

Measurement

For measurements, the study created a 5-point Liker scale questionnaire, from 'disagree' (1) to 'strongly agree' (5). The study adopts all measurement items from the existing literature partially modified or modified completely by adjusting the actual conditions of sustainable manufacturing green practices. The model constructs and items code used by the research questionnaire.

Sampling and Data Collection

The survey was targeted at individual tire manufacturing industry companies, asked to address issues related to the green practices of the manufacturing industry. The survey was addressed to professional employees for sample collection, seven tire manufacturing industry companies were selected that were declared to have been or are still in the process of implementing green practices. Data collection for two months through online and offline interview interactions, then recapitulating the results of data collection to be used as a questionnaire and distributed through Google form. Some of the main challenges faced in this study are getting access to tire manufacturing companies because the team manager is difficult to find and limited time. However, with perseverance, as many as 300 questionnaires were successfully sent. A total of 245 questionnaires were returned, while forty incomplete questionnaires were eliminated. A valid response is 205. The initial response rate was 81% of responses, 68% of which were declared valid. So, a total of 205 responses will be analyzed.

Theoretical Implication

The study focuses on green practices in the manufacturing industry. When viewed from a theoretical point of view, this study contributes to the literature by providing an understanding of TMC, PPP, PSP, GPSI, and SPSSP. In addition, the study also integrates environmentally friendly practices in the manufacturing industry and also fills the literature gap with empirical evidence in developed countries. TMC and PSP show very positive things about GPSI green practices. SPSSP requires green manufacturing innovation, namely the GPSI revolution, this study provides researchers and academics with a deep understanding of organisational support to win an environmentally green image from GPSI mediation using the case of the tire manufacturing industry and similar industries. The study provides GPSI-related insights for SPSSP that can improve manufacturing business performance through proposed models and contribute to goal 17 SDGs. For this reason, the results of the study will encourage many academics to explore more avenues for implementing green practices.

Theoretical background

Major Benefits of Green Products

Not sure if green products can actually help save the world we are living in? Let's take a look at some of the perks that come with green products and how they contribute to saving the Mother Nature:

1. **Low Maintenance**. Green products usually have low maintenance costs if they are maintained and operated responsibly. For example, eco-friendly buildings require little maintenance because of their reduced operation.
2. That's because an environmentally friendly building makes use of large windows to increase natural lighting. This, in turn, reduces the usage of artificial lighting as well as energy consumption.
3. **Save Energy & Bills**. Perhaps the biggest plus, eco-friendly products last longer than conventional products. Also, green products are meant to use the least amount of resources and consume less energy.
4. For instance, solar panels generate power from the sun. They can be used for power generation instead of fossil fuels. Also, solar panels are non-renewable, meaning they don't use fossil fuels, such as gas, oil, or coal.
5. **Better Quality of Life**. Eco-friendly products are meant to be free of chemicals and harmful components that improve both mental and physical health. For instance, in eco-friendly buildings, large windows are installed that provide fresh air and reduce the usage of artificial lighting.
6. **Positive Public Image**. When businesses do something good for society or nature/environment, their brand value boosts instantly. That's because people acknowledge good practices.
7. **Easy Entrance to Eco-friendly Markets**. Creating sustainable products offers up a whole market of green users who exclusively purchase sustainable items and are willing to pay extra for them. Also, opting for green strategies gives brands a competitive edge in the market.
8. **Decreases the Usage of Resources**. Eco-friendly products also lower the threat of excessive usage of fossil fuels and other resources and promote power generation from natural resources.

Challenges in Green Product Development

Transitioning to eco-friendly practices presents its share of challenges, but it's a journey worth embarking on. Consider environmental investments as investments in the future – they may not yield immediate results, but businesses must persevere through difficulties because the long-term benefits are substantial.

Here are some of the challenges that businesses may encounter when initially venturing into green product production:

1. **Green Short-Sightedness**

   A significant challenge arises from green myopia, where businesses focus on short-term sales factors rather than grasping the broader picture. When consumers buy green products, they seek genuine environmental friendliness. If a product claims to be green but falls short of this expectation, consumer satisfaction dwindles, potentially harming the company's credibility. This phenomenon is known as green myopia.

2. **Standardization Requirement**

   Green marketing campaigns often make claims that lack substantiation. Studies suggest that only a small fraction of such campaigns – approximately 5% – genuinely adhere to green principles.

The absence of standardized criteria or a quality control body makes it challenging to verify the authenticity of green products. However, certain policies and initiatives are working toward establishing green product standards.

3. **Investment Needs**
   Despite the perception that manufacturing eco-friendly products is straightforward, it requires significant technological innovation. This necessitates substantial investments in research and development (R&D), which not all startup businesses or companies can sustain.

Types of Green Products

1. **Energy-Efficient Appliances:** These appliances use less energy, reducing carbon footprint and utility bills.
2. **Eco-Friendly Building Materials:** Made from sustainable resources, they are environmentally friendly throughout their lifecycle.
3. **Recycled Products:** Made from recovered materials, they reduce waste in landfills.
4. **Compostable Products:** Organic materials break down into compost, enhancing soil quality and reducing chemical use.

The Government's thrust for 'Make in India' has been evident through the construct of Production Linked Incentive (PLI) schemes rolled out over the last couple of years. These PLI schemes spanning across sectors have been well received by the industry. In these times of high operational and capex costs, support from the Government in the form of incentives indeed provides the requisite push for culminating investment plans into reality.

PLI schemes encourage new investments leading to higher turnover for businesses and higher utilization of manpower. However, these schemes also bring along an opportunity to push the envelope for India's sustainability goals. India has committed to being net zero by 2070 for which the amount of groundwork required is enormous. Several measures have been taken by the Government in this regard by extending benefits/ concessions for **green** investments (e.g., renewable energy, effluent treatment plant etc.) The Government should ensure that the infrastructure that is now developed in the country is aligned with its sustainability goals as well. Even the industry is inclined to adopt green practices owing to investor and customer preferences and requirements.

For encouraging green investments in the country, all new **PLI** schemes could potentially carry additional incentives for investment in green technologies leading to higher utilization of raw materials and reduction in waste discharged in the manufacturing process. Additionally, products made from recycled raw materials and recycling of waste generated during the manufacturing process can be separately incentivized. As these policies are laid out for each sector specifically, incentives for research and development for green technologies for the respective sectors could be incentivized as well.

Investments in the previously announced PLIs are still underway and there could be room to still create more **sustainable** infrastructure in those sectors. In fact, the Government could consider releasing a corrigendum to the previously announced PLI schemes and introduce additional incentives for green investments subject to thresholds. This would mean creating an additional budget outlay for PLI schemes and specific allocation for green incentives could be an option worth exploring in the upcoming Union Budget.

Discussions with the relevant industry stakeholders and forums before formulating the structure for such incentives would be vital for making it successful. These additional incentives under PLI schemes could be linked to certain thresholds of reducing carbon emissions for which certification requirements can be built in. Authorised agencies for computing carbon footprint could play a larger role here. Overall, this would also help in expanding the outreach of Business Responsibility and Sustainability Reporting (BRSR) over the next few years to unlisted entities as well while improving compliance for listed companies. Such moves would only fortify India's positioning and commitment towards sustainability at a global level. In certain cases, these incentives may help overcome prohibitive costs for considering green investments.

Based on global experiences, India would need to adopt a structured combination of green taxes and incentives. Levy of any green taxes in the near future alone is unlikely to generate enough revenues for resolving climate concerns for India. Hence, incentivizing green behavior is an essential element in the sustainability journey for the country. India is not alien to this concept and state industrial policies are a classic example wherein incentives are rolled out aiding the development of sustainable infrastructure for the country. The need of the hour is to now understand the learning from previous experiences of incentivizing green investments and develop appropriate mechanisms under the PLI structure to make it more effective. The industry would also embrace these sustainability-linked incentives and hopefully, it would create a win-win situation for the Government as well as the industry.

Why Government Schemes Matter for Indian Startups

Access to capital, legal compliance, and expansion may be a challenge to many new businesses. Here, the role of government schemes for startups in India becomes very important, as it helps in:

1. **Ease of Funding and Compliance-** With the introduction of programs such as DPIIT recognition benefits and startup loan schemes, business owners are able to raise funds more easily and are allowed softer compliance norms.
2. **Tax Exemptions and Benefits-** In India, there are numerous startup subsidies that offer tax holidays and rebates, enabling new ventures to reinvest their earnings in growth.
3. **Promotion of Innovation –** Through initiatives such as Make in India incentives and digital India schemes, startups are being promoted to innovate in manufacturing, technology, and sustainability.

Not only do government schemes lower barriers to entry, but they also provide an atmosphere in which the entrepreneur can concentrate on growth rather than red tape.

Central Government Schemes for Startups

Startup India Scheme

The Startup India is the flagship program which helps entrepreneurs. DPIIT identifies startups that are eligible to receive tax exemptions, simplified patent registration and funding.

- **Eligibility-** It must be a partnership, LLP or a private limited company that is below 10 years of age with a turnover of less than 100 crores.
- **Benefits –** Three years of income tax exemption, self-certification on compliance and simplified access to government tenders.
- **Process –** Get registered on the Startup India Portal to receive **DPIIT** recognition benefits and receive startup subsidies in India.

Make in India
Make in India incentives which are launched to stimulate domestic manufacturing target startups in the fields of defense, automotive, electronics, and textiles. The program encourages less reliance on imports and more output locally with subsidies and priority to government contracts.

Digital India
The Digital India initiatives enable technology-driven startups through the provision of internet connectivity, e-governance, and AI, block chain, and fintech innovations. IT and digital service startups are financially supported and incubated, and given access to large-scale government contracts.

Atmanirbhar Bharat
Startups are also promoted to create solutions to local issues under Atmanirbhar Bharat and decrease dependence on imports. The scheme offers credit guarantees, liberal regulations and priority sector lending opportunities. It provides funding, as well as policy support, to manufacturing, agriculture, and healthcare startups.

Financial Support & Loan Schemes
MUDRA Loan (Micro Units)
The Mudra loan scheme is used to support micro and small business. Depending on the growth stage, the startups are eligible to borrow up to 10 lakh.

Stand Up India Scheme
Given to women and SC/ST entrepreneurs, this program provides bank loans of 10 lakh to 1 crore to green field businesses. Stand Up India scheme lowers the entry barriers of underrepresented communities.

SIDBI Funds of Funds
To fund equity support, the government has established a Funds of Funds to be administered with **SIDBI loans**. This program makes investments in venture funds that further finance start-ups at an early stage in a wide range of areas.

Credit Guarantee Fund for Startups (CGFS)
This plan provides credit guarantees to a specific extent, which makes banks and other financial institutions more comfortable lending to startups. It mitigates the risk of lenders and facilitates the startup loan schemes.

MSME Schemes Benefiting Startups
Udyam Registration & Benefits
Udyam Registration enables startups to become MSMEs and receive subsidies, simpler bank credit and delayed payment protection. The same recognition also opens the door to MSME schemes that are aimed at growth and sustainability.

MSME Loan Schemes
Startups are able to obtain collateral-free loans, capital subsidies based on credit, and emergency credit lines (under the MSME umbrella), these assist them with working capital and other expansion requirements.

Interest Subsidy Programs

Some MSME projects also offer interest subsidies on loans, which puts less pressure on the young businesses to repay. This renders formal financing cheaper than the private lending.

State Government Schemes

Startup Gujarat

Startup Gujarat provides seed capital, innovation laboratories and mentorship to entrepreneurs in all sectors. Rental subsidy and marketing assistance are also given under the scheme.

Kerala Startup Mission

Kerala Startup Mission (KSUM) is one of the most comprehensive and state-led programs in India, which provides incubation centers, grants, and international networking services to technology, healthcare and education startups.

Karnataka Elevate

Karnataka has an Elevate program that offers financial assistance up to 50 lakh, mentoring and market access to startups with potential. It targets high growth potential innovation-based businesses.

How to Apply for Government Startup Schemes

1. **Prep Materials:** Register your entity (Pvt Ltd/LLP/Partnership), open a current account, and prepare pitch deck, CIN/LLPIN, KYC of founder and simple financials.

2. Get DPIIT recognition (Startup India):

1. Create an account on the Startup India portal and complete your account.
2. Get DPIIT recognition to unlock the door to tax exemption, tenders, IPR rebates and seed support. Stamp the certificate of recognition.

3. Register as MSME at Udyam (Not Mandatory, But Recommended)

1. Register on **Udyam Registration** portal (self-declaration; no fee) (when eligible).
2. You will be issued with a permanent Udyam Registration Number with a e-certificate; either PAN/GSTIN.

4. Research MSME Schemes (credit/subsidies)

1. Search central schemes (credit guarantees, marketing support, technology upgradation) through the portal of MSME.
2. A good number of applications are going through My MSME portal or scheme pages attached to it.

5. Apply to Relevant Programs

1. To apply to grants/mentorship: see Startup India dashboards (Seed Fund, MAARG).
2. In the case of loans: take Udyam + DPIIT documents to your bank/NBFC and apply to the scheme discussed in it; monitor the process on bank/portal dashboards.

Be Compliant: Refresh profiles, add progress reports and renew registrations where necessary.

Top 5 Government Schemes Supporting Net Zero Goals in India (2025 Guide)

Explore the top 5 government schemes supporting Net Zero goals in India. Learn how these initiatives are driving sustainable growth and green transformation for businesses and individuals.

Introduction: India's Road to Net Zero

India is marching toward an ambitious but crucial goal — becoming a **Net Zero emissions economy by 2070**. This journey isn't just driven by environmental responsibility, but also by economic necessity, international cooperation, and national security.

Supporting this transition are a host of powerful policies and initiatives launched by the Government of India. If you're a business owner, startup founder, investor, or even a curious citizen, understanding these schemes could give you a serious edge — both for impact and opportunity.

PM Surya Ghar: Muft Bijli Yojana

The PM Surya Ghar: Muft Bijli Yojana is a landmark rooftop solar program designed to provide free electricity up to 300 units per month for over 1 crore Indian households. This scheme not only empowers individuals to reduce their electricity bills but also accelerates the country's shift to clean, solar-powered energy.

Key Benefits

1. Reduces reliance on coal-based power.
2. Shrinks household carbon footprints.
3. Promotes decentralized renewable energy generation.

FAME India Scheme — Boosting Green Mobility

The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) India Scheme is a key part of India's Net Zero roadmap. This initiative subsidizes the purchase of electric vehicles, reducing the transportation sector's carbon footprint.

Key Benefits

1. Direct incentives for electric vehicles (EVs) buyers.
2. Lower cost of EV manufacturing and ownership.
3. Reduces vehicular pollution and greenhouse gas emissions.

Who Can Apply: Individuals, manufacturers, fleet operators, and local governments.

Official Website: https://heavyindustries.gov.in/UserView/index?mid=2483.

National Solar Mission

The National Solar Mission, also known as Jawaharlal Nehru National Solar Mission (JNNSM), aims to transform India into a global solar energy hub.

Launched in 2010 and still expanding, the mission's primary target is to deploy 100 GW of solar power capacity across the country, reducing dependency on fossil fuels.

Key Benefits

1. Incentives for residential, commercial, and industrial solar installations.
2. Boosts solar startups, manufacturers, and investors.
3. A key pillar of India's renewable energy revolution.

Who Can Apply: Residential users, industries, entrepreneurs, and power companies.
Official Website: https://mnre.gov.in/solar/.

National Green Hydrogen Mission

Announced in January 2023, the National Green Hydrogen Mission is India's answer to decarbonizing industries like steel, cement, fertilizers, and refineries. This mission positions India as a global leader in the production and export of green hydrogen, a clean and versatile fuel.

Key Benefits

1. Drives industrial decarburization.
2. Supports research and development in hydrogen technology.
3. Creates new green jobs and export opportunities.

Who Can Apply: Large industries, startups in the energy sector, and research organizations.

For deeper learning, explore the Hedgewar Centre of Excellence for Green Hydrogen.
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5. Perform, Achieve and Trade (PAT) Scheme

The PAT Scheme is a market-based mechanism launched by the Bureau of Energy Efficiency (BEE) to enhance energy efficiency in large industries.

It rewards industries that exceed their energy-saving targets by allowing them to trade surplus energy savings as Energy Saving Certificates (ESCerts).

Key Benefits

1. Reduces industrial energy consumption and emissions.
2. Creates financial incentives for energy efficiency.
3. Encourages cleaner production processes across sectors.

Who Can Apply: Energy-intensive industries such as steel, cement, power, paper, textiles, and fertilizers.
Green Business Scheme: To provide financial assistance for activities which can tackle the climate change along with income generation?.

Eligibility Criteria: The eligibility criteria for coverage of beneficiaries under the Green Business Scheme shall be as follows:
The applicants should be persons belonging to Scheduled Castes
Their annual family income should be below Rs. 3.00 lakh for both rural & urban areas.

Indicative Schemes

1. Battery electric vehicle (E-rickshaw).
2. Compressed air vehicle.
3. Solar energy gadgets.
4. Poly houses.

Unit Cost: The eligible candidates can avail financial assistance under this scheme for unit cost up to Rs. 30.00 lakh (Rupees thirty lakh only). NSFDC provides loan up to 90% of the unit cost.

Quantum of Assistance : NSFDC would provide need based loans under the Scheme as permissible under NSFDC Term Loan Lending Policy, promoter contribution and after taking into consideration the margin money being provided by SCAs, subsidy provided by other Government agencies and subsidy provided to Below Poverty Line (BPL) beneficiaries under the Central-Sector Scheme of Special Central Assistance to the Special Component Plan to the extent of @ Rs.10,000/- or 50% of the unit cost, whichever is less.

Interest Rates

Scheme	Unit Cost	Maximum Loan Limit upt 90% of unit Cost	Interest per Annum	
			SCA/CA	Beneficiary
Green Business Scheme (GBS)	**Upto Rs. 7.50 Lakh**	**Rs. 6.75 lakh**	**2%**	**4%**
	Above Rs. 7.50 lakh & upto Rs. 15.00 lakh	**Rs. 13.50 lakh**	**3%**	**6%**
	Above Rs. 15.00 lakh & upto Rs. 30.00 lakh	**Rs. 27.00 lakh**	**4%**	**7%**

Repayment Period

The loan under the scheme shall be repaid in quarterly installments, within a maximum period of 10 years including moratorium period of 06 months. In addition, 120 days moratorium period is allowed to SCA for fund utilization.

Conclusion

The Government Schemes Supporting Net Zero Goals in India are more than just policies they are transformative tools designed to reshape the economy and environment together. Whether you are a startup founder, corporate leader, policymaker, or citizen, leveraging these schemes can make you part of India's green revolution. The future of India's economy is green, efficient, and Net Zero-focused. Start aligning your business and lifestyle with these schemes today — and become part of the solution, not the problem. In conclusion, green products are products that have been designed with sustainability in mind. From materials to manufacturing processes, the goal is always to reduce environmental impact. Green products can range from food and beverages to technology items such as computers and cell phones. By making the conscious choice to purchase green products whenever possible, we can all help contribute toward a more sustainable future for our planet.

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