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Startup Success through Legal Awareness: Reforming Skill Development for India's New-Age Entrepreneurs

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Abstract

Entrepreneurship in India is growing at a very fast rate and is seen as one of the strongest ways to boost the economy, creating new jobs, and bringing new ideas to life. To support this growing stage of entrepreneurship in India, many government and private organisations have initiated various skill development programs that can help the young people to learn how to start and run their own businesses/startups. These programs usually focus on various things such as technical skills, finance, digital tools, and business planning. However, one important area is often left out while focusing on these programs which is legal awareness. Most of the new entrepreneurs start their entrepreneurial/business journey without knowing the basics of different laws that apply to businesses. This lack of legal knowledge can cause serious problems such as not properly getting their business registered, breaking tax & labour related laws in the organisations/firms, facing contract issues, or losing their rights over their ideas due to weak protection of intellectual property and therefore these legal challenges can affect the growth and sometimes the survival of their own startups, even if the startup idea is very solid. In lieu of this, the present study looks at how the lack of legal education in skill development programs creates different risks discussed above for the entrepreneurs. Further, the study also explains that why legal awareness is not just helpful for decreasing the risk associated with the businesses but essential as well for running a responsible and successful business. The research also highlights the gap in current skilling programs and suggests various ways to include simple and useful legal knowledge among them. It also discusses how a better legal understanding of the person can help the entrepreneurs to avoid or minimize the common mistakes so that they can build stronger and safer startups. Finally, at the end, the paper study provides some suggestions for improving training systems by adding basic legal education and involving legal experts, educators, and policymakers. Ultimately, the aim of providing the suggestions is to support a startup culture in India which should not only be smart and innovative but legally aware as well so that to prepare the same for long-term success.

1. Introduction

In today's modern world which is changing at a very fast speed day by day, entrepreneurship has become more than just a career choice. Over the period, it has become a symbol of innovation, self-reliance, and economic growth. For a country like India, where the youth population used to be very large and unemployment, startups usually seen as a solution to both economic and social challenges. They offer opportunities to not only to earn a livelihood at an individual level or the group level but also help to solve local problems, helps for creating different jobs for others, and make a meaningful impact to mitigate both economic and social challenges. As a result, many young individuals are discovering the idea of starting something (i.e. business) at their own rather than relying solely on traditional career paths or the college/universities placements. Over the last decade, we have seen the launch of several initiatives happening in India such as Skill India, Startup India at the central level and some state-level programs that promote entrepreneurship and provide skill development opportunities to the youth. These programs have been designed to develop the practical knowledge's such as how to plan the business, the process of making budgets, use of various digital tools (to better grow their businesses), marketing, and leadership etc. The government and private institutions in India have taken number of steps to train peoples interested in initiating the startups in various sectors, with the hope that skilled individuals can take up entrepreneurship to a level at their own and become job creators instead of job seekers in the future.

However, while these efforts are important and appreciated, they are not enough, especially with respect to legal knowledge/awareness. A deeper enquiry into the current landscape reveals a major gap towards the absence of legal education and awareness within the framework of the skill developments. If we talk about the various training modules conducted for training the stakeholders, most of them focuses on how to do business without paying attention to "how to do it right within the legal boundaries." This gap of legal knowledge in the training module has created a silent but a very serious risk for the startup ecosystem in India. If we talk about the Indian legal system, it is complex and rightly, so it must protect the interests of all the stakeholders such as consumers, workers, investors, the environment, and the business owners. But when the training is being conducted or in other words one can say when entrepreneurs are made, they are hardly taught about these legal frameworks and other related aspects and hence they unknowingly expose themselves to problems especially related to the legal context. Various common legal issues like incorrect registration of the company, failure to protect intellectual property, misuse of the contracts, and ignorance of the labour laws or on compliance of the various taxes, are not just small things as they can be one of the reasons for leading to disputes, penalties, and even failure of the business.

This disconnect between skill development and understanding of the legal contexts is not just a gap in knowledge, but it reflects a major concern in understanding the promotion of the entrepreneurship. In many cases, of course, the excitement of the innovation and fastest growth of the business dominates the requirement of responsible, ethical, and law-abiding business conducts which generally lead to the things discussed above. Entrepreneurs, generally, are told how to pitch to investors, how they can market their own product, or in what ways their business/company can be scaled. However, while developing the skills for the same, no one tells provide them the expertise related to law towards their rights and duties for the business and therefore as a result, they are left vulnerable to make legal mistakes, and even, in some of the cases, criminal liability as well. Legal knowledge should not be viewed as something only required for the lawyers. Just like, we know that financial literacy is essential to manage money for an individual, legal literacy is also important to manage legal risks of businesses. Especially when the business is relatively new or one can say in the initial stage, a basic understanding of the law can help the entrepreneurs in making better decisions, avoiding mistakes that they are committing unknowingly, and building a strong foundation for the business. More importantly, this basic knowledge will help them to develop a sense of responsibility and ethics among them, which is a necessity for long-term sustainability, not just in their business, but in society as well. The requirement of legal awareness is even more important in a country like India, where legal literacy among the general population is relatively low, and legal processes are often seen as very complex, time taking, and expensive and therefore this ignorance or sometimes fear of the legal work/system adds another layer of challenge for entrepreneurs who are already dealing with various important things such as funding, operations, and market competition. The lack of legal awareness among entrepreneurs is not just an individual risk, but it weakens the trust in taking the business idea ahead, affects investor confidence, and hence even hurts the concept of the entrepreneurship.

Despite these concerns, very few research or policy discussions have focused on integrating legal knowledge into entrepreneurship development, or in other words, one can say, to fill this gap. This shows that the problem is not only present but also under-researched. There is a clear need to examine how existing skilling frameworks are structured, what legal components are missing, and how legal education can be made more accessible and practical for non-law students especially those who want to build startups.

This research paper aims to fill that gap by highlighting the importance of legal awareness in the journey of an entrepreneur. It will explore how current skill development programs work, where the legal training part is missing, and how this gap affects the entrepreneurs on the ground. Through this study, the goal is to offer practical solutions to include the knowledge of the legal issues supposed to occur during the business in skill-building programs in a simple, practical, and easy to understand way. Also, one should not understand that the idea is to turn entrepreneurs into legal experts, but the goal is to give them the basic legal knowledge which is required and necessary to run a business confidently, ethically, and successfully.

2. Literature Review

Over the past decade, entrepreneurship and skills development in India have become a major talking point, especially with government-led efforts like Skill India; Startup India; and the Atmanirbhar Bharat Abhiyan. The programs have sought to train young Indians with the skills they need to get jobs or be self-sufficient through entrepreneurship. Yet, most literature and policies in this area focus on technical, vocational or digital skills whilst neglecting to consider the foundational necessity of legal literacy to conduct a successful, sustainable business (India, 2022).

Several research have shown that skill development programs are effective in increasing employability and encouraging entrepreneurship. For example, the India Skills Report 2022 indicates that youth employability has steadily increased due to vocational training and soft-skills programs. But little attention is paid to teaching potential entrepreneurs about basic legal principles such as business registration, licensing, taxation, compliance, contracts and intellectual property rights. These elements are commonly considered as niggling details that belong to lawyers, rather than something an entrepreneur should ever worry about.

Legal ignorance is a major reason for startup failures in India. According to CB Insights, 18% of startups fail for legal and regulatory reasons from issues with co-founder agreements to labor laws and from this to intellectual property theft (Insights, 2026). This isn't complex legal issues this is basic compliance and governance that could easily be taught at the skilling stage. However, existing literature on entrepreneurship in India insufficiently caters to this as a skilling-outcome area. Academicians like Dr. Ramesh Singh, Dr. Sunita Malhotra have widely written on skill development & entrepreneurship. But their works are often centered on economic impact, behavioural traits and market readiness rather than the institutional and legal barriers that entrepreneurs frequently experience. Nonetheless, the authors of Entrepreneurship Development in India: Challenges and Opportunities cite various cultural and economic challenges but do not suggest legal awareness as a factor that impacts on startup sustainability.

Others like Upendra Baxi from legal circles and Menon Commission Reports have advocated for bringing legal education to common citizens, particularly to the marginalized. However, this recommendation has yet to be implemented in the entrepreneurship ecosystem, where legal vulnerability is great and the costs of ignorance are high. Today's entrepreneurs are expected to do it all from business strategy and governance to compliance, yet many have no formal training in legal know-how. The gap becomes even more evident when compared to practices in countries like Singapore, Canada and the UK where incubators and startup accelerators (as well as even undergraduate entrepreneurship courses) integrate modules of basic legal orientation. These modules aren't intended to make students lawyers, but to provide them with practical legal skills like how to read a contract, register a firm or protect intellectual property. Wilson and Salazar studied lawyers' education in the Journal of Entrepreneurship Education and found that entrepreneurs who went through basic legal training are more self-confident, less likely to end up in disputes, and grow at a sustainable pace (Wilson, 2020).

Several private organizations in India are working towards democratizing legal knowledge, joining the ranks of legal-tech startups. Startups like VakilSearch, LegalKart and Nyaaya are helping laypersons navigate through some of the minutiae of legal procedures. But these platforms are largely reactive – entrepreneurs often take them up after a problem has happened. This cannot be a case-by-case basis; there is an urgent need to infuse legal skilling into the entrepreneurship training curriculum, especially for first generation entrepreneurs' systemic deprivation of access to professional legal guidance. The 2015 National Policy for Skill Development and Entrepreneurship talk about regulatory reform and ease of doing business but does not address the need to include legal training as part of the curriculum in skilling institutions or startup incubation centres. It is in this context that as per the Startup India Action Plan, there is a push for legal assistance via panels and helplines but not for 'legal literacy' as an indispensable entrepreneurial competency.

The education system is another missed opportunity. Most of the higher education institutions such as colleges, universities, etc., that have entrepreneurship or business development programs in their curriculum, does not cover the part of legal education unless the student is kept to chooses few electives related to legal information. This break between categorical understanding of law versus entrepreneurial education bring the knowledge gaps among the learner and hence leads to real-world barriers for them especially those businesses operating in outlying areas, informal sectors or those who do not have any legal backup at all. Thus, on the basis of the literature review, it is an evident research gap in the sense that no coordinated model/study is available in India in which providing legal education to the entrepreneur is one of the necessary skills. Therefore, the study seeks to fill this gap by investigating the importance of legal knowledge/awareness as an essential skill in entrepreneurship to make the business better and sustainable.

3. Understanding the Legal Challenges Faced by Startups

Starting a business in India can be said as a risk full of energy, ambition, and starting even after having all the creativity and hustle. Many startups' founders have one major challenge in their path of starting/running the business which we can call as the legal awareness/education. It can be said for majority of early stage entrepreneurs, navigating the legal landscape into their businesses is not just hard but it is discouraging as well due to lack access to legal professionals or not getting the proper training for the same, which most of the times results in wrong or weak decisions and regulatory violations or sometimes the complete shutdowns of their businesses. These challenges are not generally made due to their likely intention for the same, but they are often caused due to lack of awareness towards legal knowledge.

The first and foremost most fundamental challenge in starting/running a business is to select the right business model. Usually, startups operate without clearly paying attention to the fact that whether they should be register as a sole proprietorship, partnership, LLP or they can be registered with private limited company as well. If the wrong structure is chosen, it can lead to high compliance costs, limited ability to raise funds or legal liability for founders personally. A Startup India report (2022) states that 37% of startups they examined had selected an incorrect structure, resulting in challenges faced during investor due diligence.

Staying is a case in point and real-life was Stayzilla where the homestay startup was once broke. The company folded in 2017 after facing several legal actions, including overdue payments and contractual disputes with vendors. The founder even got arrested on allegations of fraud, although he managed to secure bail later. The case shed light on how startups operate with no contracts or financial protection writ large and end up in a legal free for all (Rai, 2017).

A third area of focus is regulatory filings, compliance. Many founders tend to miss filing deadlines for GST, ROC filings or employee benefits such as PF and ESIC, which results in penalties. According to the Ministry of Corporate Affairs, close to 49,000 companies were struck off in the year 2022 alone for non-filing of annual returns. Small startups tend to be growth-oriented and don't think about this back-end work until it's a crisis. At the same time, legal contracts or the absence of them are a giant red flag. Startups often work off handshakes with co-founders or developers or freelancers. In the case of Housing.com, The exit of co-founder Rahul Yadav was controversial owing to unclear shareholder rights and internal governance at Housing. The absence of proper contracts regarding equity, IP ownership and the roles of founders can be a fatal blow and lead to the collapse of startups.

Another very common legal challenge is Intellectual Property (IP) issues. Startups build logos, apps or content but don't register them. For example, in Zostel vs. Oyo, Zostel claimed that certain IP rights should vest with it post an unsuccessful merger. The legal fight continues and illustrates how vague provisions over intellectual property can sabotage huge transactions and potential valuations.

The field of cyber laws and data privacy regulations is emerging as one critical area given businesses going digital. Most startups, however, don't follow rules about user consent, data sharing or security. Since the enactment of the Information Technology Act, 2000 and more recently with the passing of the Digital Personal Data Protection Act, 2023, businesses must now have appropriate privacy measures. However, awareness is still very low among early founders, as evidenced by the Unacademy incident where user data was leaked resulting in public outrage and legal scrutiny. Finally, ignorance of the law is frequently provoked by fear. Many founders of startups complain the legal system is slow, expensive or made for big companies. As a result, legal planning is deferred or uses asymmetrical understanding in outsourcing. But such "fix it later" attitudes often lead to irreversible consequences an investor walking away, a lawsuit lodged, a brand name extinguished.

4. The Status Quo of Skill Development Programs in India

4.1. Overview of India's Skill Development Initiatives

With its large, youthful population, India realized early on that it needed to upgrade workforce capabilities to keep pace with the rapidly expanding economy. The Government of India introduced the Skill India Mission in 2015 with an objective to train more than 400 million people by 2022, through the Ministry of Skill Development and Entrepreneurship (MSDE). Many schemes are integrated into this mission such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which offers industry relevant skill training, and SANKALP (Skill Acquisition and Knowledge Awareness for Livelihood Promotion) that focuses on strengthening of institutions and capacity building at state/ district level. Other programs like STRIVE focus on industrial training and NAPS focuses on apprenticeships. Yet with all of this, the vast majority of programs focus firmly on subjects aligned to technical capability and soft skills development. One such necessary ingredient for entrepreneur's legal literacy is largely missing. Such skilling schemes hardly talk about practical legal subjects like business registration process, taxation, contract management or regulatory compliance. The result is a knowledge vacuum where people can produce or manage work but are not trained to deal with the legal frameworks necessary to make that work sustainable (Cooperation, 2023).

4.2. Startup India: Promising Intentions, Limited Legal Inclusion

Launched in 2016, the Startup India initiative transformed the Indian startup landscape, fostering a nurturing environment for entrepreneurship. This enabled access to funding, tax relief, guidance and simplified regulated structures. The initiative has tied up with educational platforms such as UpGrad to provide learning modules related to business fundamentals. But indeed, these modules are often thin on legal topics. Despite providing downloadable

legal templates and toolkits, the project does not integrate structured legal education.

Startups in small towns or led by first-generation entrepreneurs often face problems with their company formation process, contract disputes or tax defaults not because they're being negligent, but because they are simply unaware. These are legal oversights that can result in failures at the early stage. According to one report in 2021, conducted by the Department for Promotion of Industry and Internal Trade (DPIIT), around 35% of startups fall flat within two years, with non-compliance being the top reason. This statistic underscores the urgent imperative for including legal awareness within skilling ecosystems (dpiit, 2021).

4.3. Legal Education Missing in Entrepreneurship Curricula

In India, entrepreneurship training is delivered through multiple channels Industrial Training Institutes (ITIs), private vocational centers and online edtech platforms. This entry is a response to the Joint Task Force on Legal Education's proposed changes to legal education, and a call for more fundamental reform of how lawyers are trained. Courses typically cover themes including business planning, financial literacy, marketing strategies and digital skills. When they exist, legal modules tend to be superficial, optional. According to a 2021 survey conducted by Wadhvani Foundation, 53% of young entrepreneurs from Tier-2 and Tier-3 cities were unaware of fundamental legal processes such as trademark registration (Report, 2024). Most respondents thought legal advice was needed only for established or large businesses. One of the most common misconceptions held by startup founders is concern around legal setup, which comes from their limited orientation to the structured processes of law during training, making them vulnerable to legal risks and preventing them from scaling or attracting investors. Additionally, the belief that the legal profession is too difficult or unrelated to entrepreneurship has only widened the gap between legal programs and entrepreneurial skills. Although finance and marketing are simplistically reduced to videos, simulations, and games (see Fundamentals of Digital Marketing), it is far less common in the legal domain.

4.4. Institutional Disconnect: Law Schools vs. Skilling Platforms

The Godrej model is a pioneer in Blue Carbon sequestration. Scientific studies show that these mangroves store millions of tonnes of carbon dioxide, acting as a massive carbon sink for the city of Mumbai. Unlike state-run mangrove cells that often face manpower shortages, Godrej manages this forest using industrial-grade precision utilizing satellite monitoring, ISO-certified management systems, and a dedicated team of marine biologists (Godrej & Boyce, 2024).

There is a massive institutional divide between legal education providers, law colleges and universities, on one end and the ecosystem of skilling platforms. Law school's trend as the source of thousands of graduates a year, but their expertise has not been integrated between academia and practice or outside the other side of legal walls including to entrepreneurial training programs. This has been handled internationally through collaborative models. For example, Israel's Innovation Authority embeds legal mentorship within its startup bootcamps, which challenge entrepreneurs to grapple with patent filing and data privacy regulations and partnership agreements. Likewise, Singapore's Startup SG works with law firms to offer legal consultation for early-stage companies, including simplified legal toolkits that cover common startup scenarios. In India, however, the trade bodies of MSDE and startup incubators do not have formal partnerships or collaborations with legal institutions. As a result, aspiring entrepreneurs, particularly those without access to urban resources, struggle to navigate the legal environment, leading to uninformed decisions that could have been avoided through minimal legal education.

4.5. Legal Illiteracy as a Systemic Barrier

Incorporating the elements of legal awareness in India's skill development curriculum is not only an afterthought it is a systemic issue. Legal Framework: The existing National Skills Qualification Framework (NSQF), which prescribes the learning outcomes in various vocational courses, does not consider legal competencies as part of core entrepreneurial training. It has resulted in a national skilling infrastructure that can train people to start ventures but not sustain them through legal compliance. Startups located in semi-urban and rural areas are especially exposed. Many operate informally no GST registration, little to no written documentation of employees, few contractual safeguards. The absence of early legal advice leads these businesses to face penalties or be forced to shut down operations, which disheartens aspiring young entrepreneurs and deters others from taking similar risks. We desperately need a more inclusive approach. Legal literacy is not something to be treated as lawyers' concern alone it should be part of the fundamental entrepreneurial skillset. Skill development programs that include basic legal modules – e.g., business structure choice, income tax filings, draft agreements, IP protection, etc. – not only impart practical knowledge and skills to the same but also empower them with a sense of confidence in traversing the complex regulatory space that India often is. This will set an export-oriented pipeline of creators well-versed in the compliance landscape, while aiding startups to come prepared with a lawyer before approaching investors so they can build investor confidence and reduce attrition at all stages.

5. Why Legal Awareness Matters in the Skill Ecosystem

In the fast-paced world of business today, particularly in India's booming start-up space, knowledge of law is as critical a component for success as technical or business skills. Government and private training programs often focus on entrepreneurship, marketing or finance but they all lack one significant area of focus: legal awareness. But legal comprehension is what connects all aspects of a business. It is without this that even the most creative and hardworking entrepreneur can run into issues that could have been easily avoided. In this section, you will learn why legal education needs to be an integral part of the skill development programs if we wish to create strong businesses in India that are sustainable and law-abiding.

5.1. Legal Compliance from the Beginning

When a person starts a business, there are all sorts of rules to comply with registering the company, filing taxes, complying with labor laws and so on. A lot of startups either don't realize they need to take these legal steps or ignore them, believing they can deal with them later. But that sort of ignorance can result in fines, lawsuits, or even having the business shut down. Under the Companies Act, 2013, a significant liability arising from non-filing of annual return or financial statements etc. is also continuing to attract penalties and disqualification of directors. If even the simplest duties are highlighted during the education of young business people, they will have no other choice but to follow the rules from day one, thus minimizing their chances of finding themselves headed for trouble down the line (Kanoon, 2026).

5.2. Avoiding Contractual and Business Disputes

Many entrepreneurs enter partnerships, lease agreements or vendor contracts without understanding the legal language or their obligations under those agreements. This results in disputes and misunderstandings, and sometimes litigation. A NASSCOM study revealed that about 62% of Indian startups had run into legal or regulatory problems because of contracts that lacked clarity, or from inadequate knowledge of the law (Insights N. , 2022). Many of these conflicts could be avoided if you teach startup founders how to read and write simple contracts, how to understand terms and conditions, and what their legal rights are. It also ensures the establishment of unbiased and open business alliances.

5.3. Understanding and Protecting Intellectual Property

An essential asset for a startup is its concept, brand name, or product. However, without legal protection, these may be replicated or seized. Intellectual property (IP) laws exist to cover, or protect, these innovations but a lot of entrepreneurs don't know how to make use of them. As an illustration, the Indian Patent Office states that most of its startup applicants file IP claims incorrectly or defer filing altogether, often without sufficient legal advice, leading to rejections. Legal knowledge in this sphere can guide entrepreneurs on when and how to apply for things like patents, trademarks and copyrights protecting their brand but also preventing disagreements that could drain money down the line or even attract investors.

5.4. Encouraging Ethical and Lawful Business Practices

Legal knowledge is about more than rules it creates a culture of ethics and responsibility. With the law rapidly evolving especially in sectors such as fintech, health tech and edtech founders need to know what they owe to customers and society. For instance, there could be fines and loss of public trust for handling customer data without knowledge on rules under the Digital Personal Data Protection Act, 2023. When entrepreneurs understand the law, they're more likely to obey it and more likely to create a business that earns long-term respect.

5.5. Building Investor Trust and Readiness

Startups require lots of capital to grow. However, prior to making an investment, the majority of investors verify if a startup adheres to legal norms, has no existing legal disputes and legitimately owns its intellectual property. If any of these are missing, the investors may simply say no to the funding request. According to a report by PwC India, 43% of the investment deals in Indian startups fail at legal due diligence. Entrepreneurs trained in legal basics can avoid this problem by preparing proper documentation, ensuring compliance, and being ready to face legal scrutiny confidently (perspective, 2022).

5.6. Supporting First-Generation and Women Entrepreneurs

Most new-age entrepreneurs are from non-business backgrounds and would have no access to legal advice. This is especially dangerous for women, rural youth and first-time founders. For example, an established woman entrepreneur starting a manufacturing unit may not know-of maternity benefit law or workplace safety regulations. This ignorance can cause accidental breaches and harassment. Since legal education will be provided to everyone, this creates a level playing field for all the entrepreneurs in skill training programs.

6. Policy and Curriculum Reform Recommendations

The (lack of) legal education in the Indian startup-focused skilling ecosystem has rendered many entrepreneurs unable to understand their rights, responsibilities and legally mandated duties. Startups not only risk their own survival, but also that of investors, customers and the economy. For India to be a startup-friendly nation, our skill development policies need to reflect a holistic approach that treats legal literacy as an essential building block. The subsequent sub-sections recommend targeted and actionable improvements to the legal dimension of the current ecosystem.

6.1. Incorporating Legal Literacy in Entrepreneurship Training

Even in the avalanche of push for entrepreneurship through flagship programs like Start up India, Skill India and Pradhan Mantri Yuva Yojana, most training modules are focused on business models, pitching, digital marketing instead of what is required which is basic legal training. This leaves

entrepreneurs baffled when they encounter a regulatory bottleneck in the form of company registration, GST, contract drafting or labor laws. The plan is that a national framework must ensure this foundational legal curriculum around 10–15 hours of basic legal education is obligatory, across the board for all skill development programs related to entrepreneurial capacities. Some topics that should be covered in the syllabus are:

- Business entity formation (sole proprietor, partnership, LLP, company)
- Basics of contracts (Validity of a contract Breach Resolution of disputes)
- Compliance laws (GST; Shops and Establishments Act; labor laws)
- Basics of IPR (trademark, copyright, patent)
- Consumer and data protection regulation

These modules must be designed for non-law learners, using infographics, real case scenarios, animations, and multilingual audio-visual content. According to NSDC's 2023 report, only 11.6% of entrepreneurship training programs incorporated any form of legal awareness, highlighting the urgent need for curriculum reform (Report A. , 2023).

6.2. Partnering with Law Schools and Legal Startups

The data from India's law colleges and legal tech startups is a valuable but underutilized resource. Legal awareness programs can also be integrated into the entrepreneurship centers of universities by law schools on campus, and legal startups such as LawSikho, Vakilsearch, Legistify working with universities to provide content creation, online modules and low-cost legal aid for small businesses. And law schools could start Legal Startup Clinics a free basic legal consultation program for early process entrepreneurs with a supervised fine year law students' team (like traditional legal aid clinics). This is beneficial for both law students and startups, creating a sustainable support ecosystem. Collaborations of this type have already been successful. For instance, NALSAR University and T-Hub Hyderabad collaborated to provide legal mentoring for incubated startups in 2021 which created a scalable template of a public-private academic partnership (Today, 2025).

6.3. Institutionalizing Legal Awareness Campaigns

There needs to be education campaigns about the legal responsibilities of a startup founder and MSME owners beyond formal education. These campaigns must utilize user-friendly, colloquial language and emphasize the everyday effects of ignorance on the law which could mean halted funding, consumer litigation or shutdowns for noncompliance.

The Ministry of Skill Development and Entrepreneurship (MSDE) can partner with board MSME in states to launch campaigns through:

- Reels and explainers in the regional languages on social media
- Short video interviews with startup founders and lawyers
- Interactive quizzes or mobile games that explain legal fundamentals

Private stakeholders such as bar councils, law firms and legal start-ups can be engaged through CSR partnerships. These campaigns will need to prioritize Tier 2 and Tier 3 cities where legal awareness is much more rudimentary, but rates of entrepreneurial activity are increasing rapidly.

6.4. Legal Incentivization in Government Programs

Adherence to the letter of the law can't be an afterthought it should pay. Government or similar programs that fund (or issue certificates) to startups can print some level of legal literacy or a minimum compliance step. For example:

- New IP registrations will get extra points if undertaken via Startup India Legal Compliance Courses
- Tax or fee relaxations for early registration of IP
- Extra grants for a successful legal audit by women-led or rural startups
- Continued use of legal tool kits and contract templates post-training

Gradually, these moves will help create a culture of compliance within the startup ecosystem, where founders proactively reach out and seek legal clarity as opposed to reacting when faced with disputes or fines.

6.5. Using Technology to Deliver Scalable Legal Education

As we all know, modern technology has changed the way in all the areas including the legal work as well and therefore it can be said that with the help of technology, legal education can be made accessible, scalable and even interesting for the end user. To simplify abstract, legalize complexity lawyers can use bots and platforms for e-learning in regional languages; contract builders and legal compliance dashboards. Contract automation tools are already offered by players such as Vakilsearch, while LawSikho provides specialist legal learning platforms. These tools, if used as part of Startup India's learning portal or NSDC platforms, can touch lakhs of aspiring entrepreneurs across the country. The government can also introduce a Legal Literacy App for Entrepreneurs where it would give step by step legal checklists specific to various business models. If offline-first with vernacular translations is built, this can work in low-bandwidth regions as well.

7. Conclusion

In present India, there is a total energy and innovative mind-set in the field of startup. We're seeing young people across the country using innovation and entrepreneurship to address real problems. But the awareness regarding basic legal knowledge is something that most gets unnoticed in this journey. This paper has attempted to illustrate the very real gap most entrepreneurs are competent in their business idea or product, but they often do not know how to navigate legal obligations, rights and risks associated with operating a business.

After this research, it was observed that the legal awareness is still not part of most common credits program of skill development in India. Company registration, taxes and signing a contract should never be written in the offhand by any one of us; they are learned out incorrectly, which led every good start-up to close sooner than expected or went under unwanted undergo. During the study, it was also examined that what existing government schemes are doing and where they are falling short with respect to the incorporation of the legal knowledge and therefore findings of the study suggest one of the important takeaways that legal

awareness is not just for lawyers but for the entrepreneur as well. If young founders know the various laws used for running a business/startup, they can empower themselves to build a stronger and sustainable businesses even from the initial stage and it will also help them to make the country's startup ecosystem more transparent and secure.

In the end, based on the observations from the study, it can be concluded that the meaningful progress in the business can not only be made by good ideas, but it will be made by properly preparing entrepreneurs by incorporating the legal awareness/knowledge among them. A future of startups that not only get birth, but survive, grow and thrive with confidence and clarity requires some tweaking to make the skilling ecosystem produce confident entrepreneurs.

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