

Government Schemes and Policies for Promoting Entrepreneurship in India

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## Government Schemes and Policies for Promoting Entrepreneurship in India

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### Abstract

*Entrepreneurship is particularly essential on account of its role in innovation, value creation and employment generation, which contribute to the growth of any economy, including that of India. It is the Indian government who have recognised its importance and have introduced a number of legislations and programs to create an environment conducive for entrepreneurs and start-ups. Attractive schemes such as the Atal Innovation Mission (AIM), Stand up India, Make in India, among others, have opened doors to capital availability, mentors and market access in a big way. It has been quite supportive of organisations like Small Industries Development Bank of India (SIDBI) and the Ministry of Micro, Small & Medium Enterprises (MSME) in stimulating innovation and entrepreneurship among small units. The analysis also assesses the success of specific initiatives, reviews how these policies affect India's entrepreneurial ecosystem, and discusses some of the challenges that entrepreneurs continue to face in leveraging these opportunities. Barriers, everything from onerous regulations to artificial barriers to entry into the marketplace, persist, even as the programs have made it easier to receive infrastructure and financing. The findings from this study call for sustained reform in the ease of regulation and enabling environment to do business, if entrepreneurial practice is a continuum in India.*

**Keywords:** Government Schemes, Entrepreneurship, Innovation, Start-up India, MSME, Financial Support, Policy Implementation, Policy Framework and Entrepreneurial Growth

### Introduction

Entrepreneurs are the lifeblood of India's economic expansion, creating jobs and wealth while underpinning innovation. Recognising this potential, the Government of India has launched many targeted programs to encourage start-ups. The architectures are proposed

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to reduce financial accessibility, relieving regulation compliance and encouraging innovation along with the ecosystem (Sahoo & Sahoo, 2022).

Start-up India Start-Up India is a campaign initiated by the government of India in January 2016, which aimed at promoting financing, tax reduction and ease in regulations (Government of India, 2016). Make in India, 2014). The Make- in- India campaign started as an initiative with an intention to encourage local production and has created a facility-friendly environment for business growth (Chatterjee, 2018). Entrepreneur Loans for women and SC &ST To promote entrepreneurial participation among women and particularly the deprived population, Stand-Up India provides loans between ₹ 10 lakh to ₹ 1 crore (RBI,2022).

Some of the other major programmes are PMMY (Pradhan Mantri Mudra Yojana) for providing collateral-free credit to micro and small entrepreneurs (Government of India, 2015), and the Atal Innovation Mission, whose objective is to promote innovation among young students, which includes establishing incubation centres/research parks (NITI Aayog, 2018). Organisations, such as the Ministry of Micro, Small and Medium Enterprises (MSME) and Small Industries Development Bank of India (SIDBI), are also involved in nourishing the ecosystem with a tailor-made support system for small-scale enterprises (MSME, 2021).

But even after such broad interventions, the path for an entrepreneur is hard, and they have to deal with barriers of bureaucratic inertia, lack of financial literacy and limited market reach (Singh & Gupta, 2020). Filling these gaps and reinforcing the ecosystem that already exists is a necessity for enabling entrepreneurship to thrive at scale in India.

## Literature Review

Inclusive and sustainable development of India is the need of the day, but without entrepreneurship has not been pragmatically feasible. GOI launched several schemes like Start-up India and Stand-up India in the last ten years to promote entrepreneurship, access to finances and infrastructure and skills development. These have been researched academically, and there are many articles on their effects and current problems.

Sahoo and Sahoo (2022) assert that flagship programmes such as Start-up India, Stand-Up India, and Pradhan Mantri Mudra Yojana (PMMY) have been instrumental in promoting start-up activity by eliminating entry barriers and facilitating finance. But they say that complicated rules and low financial literacy are still barriers to more widespread adoption. Chatterjee (2018) highlights the advancement of Start-up India on the innovation side and states that actors such as tax holidays, capital are essential for starting up, but bureaucratic slackness and lack of information about this, especially from dim-lit rural areas, make it a challenge.

But Make in India, which was launched in 2014, was the project to juice domestic manufacturing and woo foreign investors. Contrary to Singh and Gupta (2020), in practice, while it may have indeed resulted in greater FDI inflows, the Show lack policy can be harnessed, with soft infrastructure bottlenecks hindrance. In this regard, the PMMY has facilitated more than 20 million interest-free loans to micro and small businesses (Ministry of Finance, 2019), but questions remain about poor repayment rates and universal financial illiteracy (Jain & Kumar, 2021).

Stand Up India launched to boost the entrepreneurship of women, SCs & STs. Sharma and Verma (2021) observe an increase in entrepreneurship by the underrepresented classes, but these traditional cultural and social norms continue to serve as obstacles. The Atal Innovation Mission (AIM) has provided a template for nurturing innovation and research through incubation centres, but Mukherjee and Das have some concerns about funding adequacy and coordination among implementing agencies.

Recent studies have also begun to explore the effects of PPPs on entrepreneurship. These results can be viewed as how the coalition building between the government and private sector makes up for such gaps that would hinder policy implementation and resource generation, fish/milk (Rao & Menon, 2022). Yet such partnerships don't have much success to speak of because transparent governance and accountability don't exist.

### **Research Gap**

There is abundant literature focusing on a single scheme of government, but limited work has been undertaken to explore the converging effect of these schemes on India's ecosystem. Additionally, there is scarce literature on the interaction between financial literacy and institutional barriers, i.e. regulatory complexity, regional differences in realities, among others and public policy measures to reduce them. This paper aims to fill this gap by offering a consolidated analysis of the Government programmes, learning from policy on implementation bottlenecks and drawing implications for augmenting the effectiveness and sustainability of the programme.

### **Research Objectives**

1. To analyse the different government schemes and policies to promote entrepreneurial practice in India.
2. To determine the impact of such programs on the growth and sustainability of small and nascent firms.
3. To measure the contribution of banks and government agencies in promoting entrepreneurship.

### **Research Methodology**

The present study is descriptive in nature, where government schemes have been analysed to examine their role in entrepreneurship in India. Such construction provides a structured treatment of policy conception, implementation and effects analysis. The secondary data is mainly secondary sources, i.e. reports of the Ministry of MSME, Start-up India, NABARD and SIDBI, NITI Aayog and research papers as well as industry profiles. The data is quantitative and qualitative, about money disbursed as well as policy effectiveness evident in beneficiary outcomes. The conversation is framed in terms of key themes: support infrastructure, economic obstacles, policy environment, and program marketing. This typology allows for comparative analysis of initiatives and identifies systemic issues. But the accounting counts only government work and does not include contributions from the private sector or overseas contributions. In addition, the official data might be biased, and the non-availability of data from the informal sector is a limitation for it. Nevertheless, their approach brought a firm footing on which to base investigations of the impact of public policy on entrepreneurship.

## Analysis & Discussion

The policy to support entrepreneurship in India is a story of partial success and unmet challenges. Despite this, the Start-ups are not doing so well, as Make in India and Start-up India have led to sharp growth in the start-up space, but eased regulation and investor confidence have changed that. Some of these programmes helped normalise the environment for entrepreneurs.

Pradhan Mantri Mudra Yojana (PMMY) has supported the furthering of financial inclusion, amounting to increased access to various financial products and services, particularly by the micro and small enterprises. But its effect is small because the borrowers' financial capability is relatively low, and therefore, few of the present-day borrowers face hardship in repaying. One of the most important efforts, Stand-Up India, has ushered economic freedom for women, giving rise to new avenues for self-employment generation among SC/STs and others; however, historical socializers-intersectioning factors are still major barriers inclusive project. The Atal Innovation Mission (AIM) has supported innovation through its incubators and research centres, but ignores the academia-industry interface. As a steer to achieving this success in the longer-term, the report makes clear that addressing operational inefficiency and better access to markets, as well as upgrading entrepreneurship in various sectors and different regions, is a must.

## Various Government Schemes and Policies Aimed at Promoting Entrepreneurship in India

The Indian government has introduced a number of initiatives to help entrepreneurs, including those dealing with rural development and women's empowerment, as well as programmes around technology, financial assistance, training, infrastructure and market opportunities for new businesses and small firms in various sectors.

### Major Government Schemes for Entrepreneurship Promotion

**Start-up India (2016):** Simple registration, tax holiday and Rs 10,000 crore in funds. Start-ups are eligible for a three-year tax holiday, expedited patent filing and IP facilitation.

**Make in India (2014):** Fosters local production, cuts dependence on imports and upgrades infrastructure. "Supports" 25 industries, permits 100% FDI where it matters; simplifies business certification.

**Pradhan Mantri Mudra Yojana (PMMY) (2015)** Scheme of guaranteed collateral-free credit for small-scale enterprises: (Shishu, Kishor (₹ 50,000-₹ 5 lakh), Tarun (₹ 5-₹10 lakh). Facilitates financial inclusion and rural enterprise empowerment.

**Stand-Up India (2016):** Stands for Start-up and Drives for Flyers /All the women Empower, Provides bank loans to SC/ST and women entrepreneurs ranging from ₹ 10 lakh – 1 crore. Provides guidance and support for manufacturers, services and trading companies.

**Atal Innovation Mission (AIM) (2016):** For promoting a culture of innovation and entrepreneurship in India, including the establishment of incubation centres and Atal Tinkering Labs in schools. Offers seed capital, mentorship and research support.

**Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) (2000):** It offers a credit guarantee to micro and small businesses which lack collateral. Covers up to 75% of loans of up to ₹ 2 crore, helping bank lending.

**National Skill Development Mission (NSDM) (2015):** It channelizes would-be entrepreneurs with domain-specific skills through certificates. Emphasis on training, RPL and career advancement.

**Trade-Related Entrepreneurship Assistance and Development (TREAD) (1998):** Provides financial assistance for women entrepreneurs through Non-Governmental Organisations (NGOs) and capacity building.

**Single Window Clearance System:** An online registration and compliance service that minimises bureaucracy and approves everything more quickly.

**Prime Minister's Employment Generation Programme (PMEGP) (2008):** It is geared to offer financial aid as well as training to entrepreneurs from rural and urban regions. Provides interest subvention for manufacturing units and service enterprises up to a maximum of ₹ 25 lakh and ₹ 10 lakh, respectively.

**Micro Units Development and Refinance Agency (MUDRA) Bank (2015):** MUDRA Bank provides refinance to micro and small businesses under the Shishu, Kishor and Tarun categories. Seeks to raise financial inclusion and working capital, and support small businesses.

**Start-up India Seed Fund Scheme (SISFS) (2021):** This is a funds-for-start-ups initiative which provides seed capital assistance up to ₹ 50 lakh for start-ups in product development, market entry and commercialisation.

**Venture Capital Assistance (VCA) Scheme:** It is provided by SFAC, which supports agribusiness through venture capital. And, entrepreneurs can also seek up to 26% of venture capital against the promoter equity or Rs 50 lakhs.

**Coir Udyami Yojana (CUY):** This assists coir-based industries by way of a grant-in-aid not exceeding 40% of the cost of projects, while the remaining investment is financed by a bank loan.

**National Manufacturing Competitiveness Programme (NMCP):** Makes manufacturing competitive, provides upgrades of technology by VMMS, etc., quality certifications, and marketing.

**Self-Employment and Talent Utilisation (SETU) Scheme:** Provides incubation centre, seed money and mentorship to start-ups.

**ASPIRE (2015):** Fostering start-ups in the agro/rural industries to be job creators instead of job seekers, with the Hindi pillar being “Grameen Bane Garib Nirdhan Rahanewala”.

**Stand-Up India Mitra Portal:** Facilitates loan applications of Stand-Up India, provides handholding support and market linkages.

**Export Promotion Capital Goods (EPCG) Scheme:** Used for importing raw materials so that export-oriented businesses can get a discount on customs duty.

**Production Linked Incentive (PLI) Scheme (2020):** Promotes manufacturing and attracts investment to manufacture products in India by providing financial incentives for production.

**Single-Point Registration Scheme (SPRS):** The SPRS allows an MSME to be registered for government tenders without depositing earnest money.

**STARS for MSME (SIP-EIT):** Financial support to MSMEs and Technology Start-ups in filing Patents Globally.

**Market Development Assistance (MDA) Scheme:** It helps MSMEs to participate in the international trade fairs by reimbursing them for their travel costs, stall rent and product packaging.

**Khadi and Village Industries:** It provides financial help and technical assistance for the economic institutions of khadi, village industry and rural employment generation programmes in order to generate employment opportunities in rural areas.

**Technology Development and Support Programme (TDSP):** - assists the R&D projects/ adoption of advanced manufacturing technologies.

**National Rural Livelihoods Mission (NRLM) (Aajeevika):** It focuses on creating self-employment in the rural areas and providing skill development platforms.

**Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM):** a project to reduce urban poverty through facilitating access to credit by SHGs/ SGSY or other similar groups.

**MSME Interest Subvention Scheme:** 2% Interest subvention shall be provided on an incremental basis for the fresh as well as the incremental loan.

**Industrial Infrastructure Upgradation Scheme (IIUS):** Its purpose is to upgrade the infrastructure in Industrial Estates/Industrial clusters to become more competitive by making manufacturing activity viable.

**Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS):-** To encourage technology up-gradation in the MSME sector, to improve the production process and reduce cost.

### **Government Programs' Effect on Startups' and Small Businesses' Development and Sustainability**

Indian government projects have helped in providing strong material support to start-ups and small business models, being able to provide essential financial support with equally beneficial market opportunities, eventually leading to job creation due to innovation and entrepreneurship.

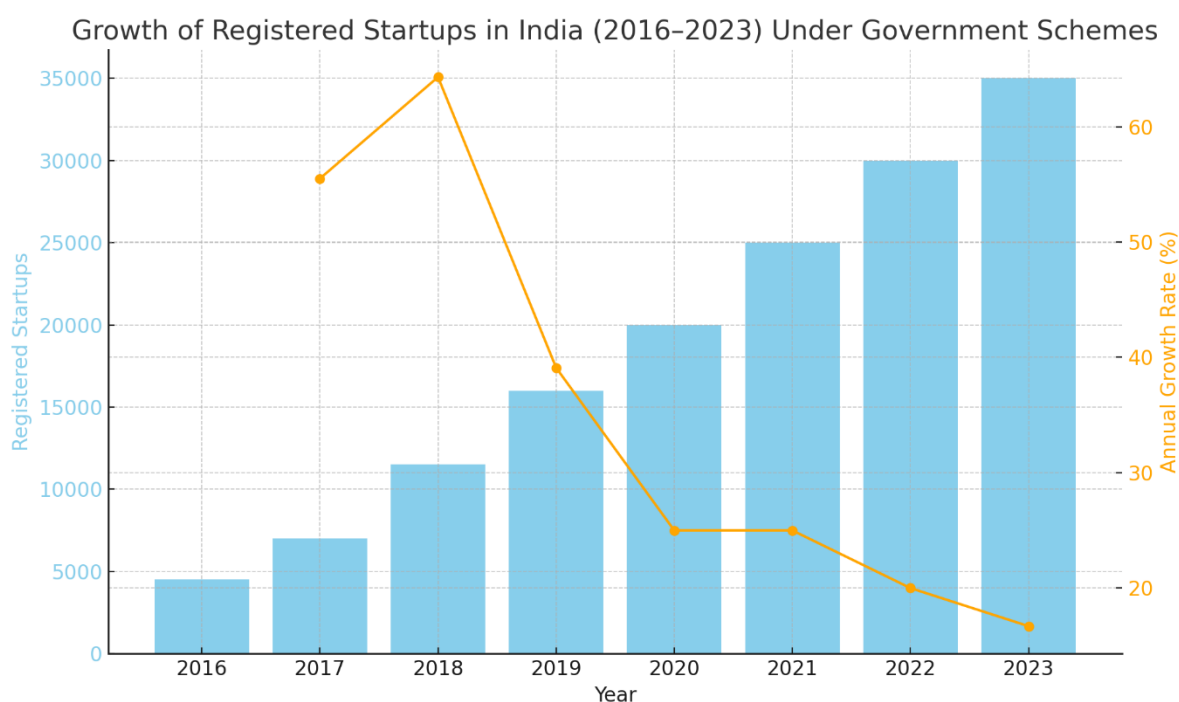
**1. Impact on Startup Growth and Formation:** Effect on Start-ups Growth and Creation: Government programs like Start-up India, Stand-Up India and Atal Innovation Mission have taken steps to fuel start-up creation through financial incentives and regulations. The no. of "registered" start-ups in India has dramatically increased post the implementation of these schemes.

**Table 1 Growth of Registered Startups in India (2016–2023) Under Government Schemes**

Year	Number of Registered Startups	Annual Growth Rate (%)
2016	4,500	—
2017	7,000	55.5
2018	11,500	64.3
2019	16,000	39.1
2020	20,000	25
2021	25,000	25
2022	30,000	20
2023	35,000	16.7

**Source:** Ministry of Commerce and Industry (2023)

It can be seen from Table 1 that India has witnessed a strong growth in the number of Start-Ups registered in India, starting with around 4500 in 2016, reaching almost 35,000 in 2023, depicting the success of government initiatives, i.e.) Start-up India and Stand-Up India.



64.3% in 2018, indicating a strong early momentum following the policy implementation. While growth was slower during the following years, the growing number of start-ups shows continued ecosystem expansion. A slowdown of the growth rates occurred in 2018, pointing to market saturation and the necessity of further policy fine-tunings to keep an entrepreneurship dynamic. Monetary support, regulatory back-up and constant reforms are necessary for sustained start-up growth in India.

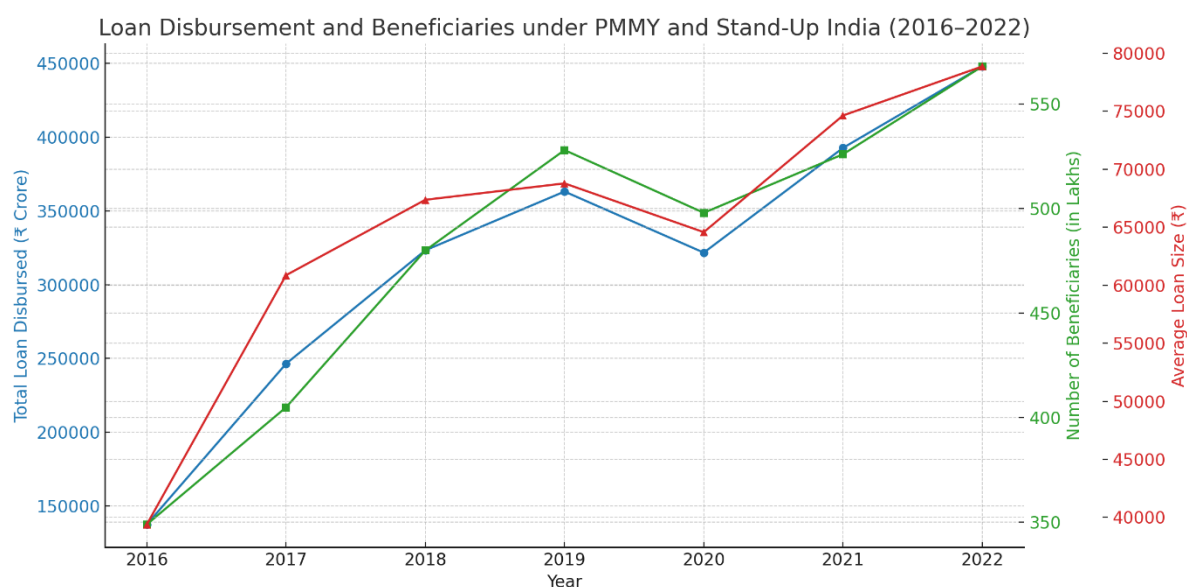
**2. Impact on Financial Inclusion and Loan Disbursement:** Programmes such as Pradhan Mantri Mudra Yojana (PMMY) and Stand-Up India have led to greater financial inclusion for small and micro units.

**Table 2: Loan Disbursement and Beneficiaries under PMMY and Stand-Up India (2016–2022)**

Year	Total Loan Disbursed (₹ Crore)	Number of Beneficiaries (in Lakhs)	Average Loan Size (₹)
2016	1,37,449	349	39,384
2017	2,46,437	405	60,866
2018	3,23,349	480	67,364
2019	3,63,191	528	68,779
2020	3,21,759	498	64,575
2021	3,92,804	526	74,632
2022	4,48,040	568	78,860

Source: Ministry of Finance (2023)

Table 2 presents an acute increase in financial aid to small and micro enterprises by Stand-Up India and PMMY during 2016-2022. Loan disbursements had increased from ₹ 1, 37,449 crore in 2016 to ₹ 4, 48,040 crore in 2022, while beneficiaries rose from 349 lakh to 568 lakh.



Average loan size also increased from ₹ 39,384 to ₹ 78,860, signifying improved credit access for larger working capital requirements. The consistent rise in this regard highlights the effectiveness of government initiatives towards increasing financial inclusion and promoting growth opportunities for ailing MSMEs, leading to better accessibility of capital among entrepreneurs across various domains in India.

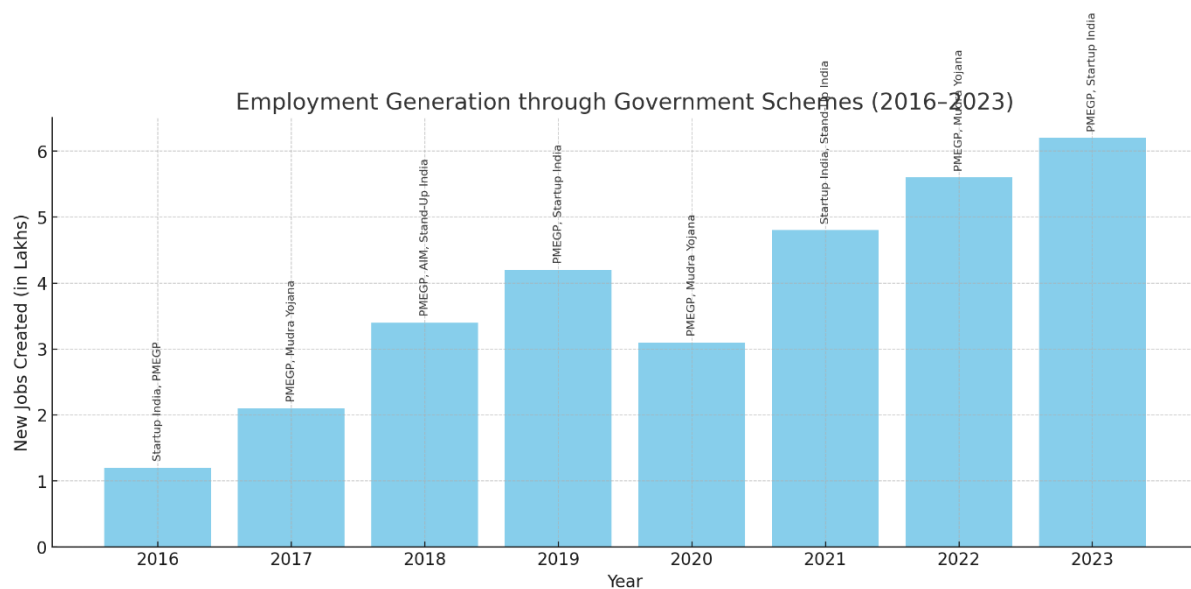
**3. Impact on Employment Generation:** Projects like PMEGP, AIM and Start-up India have led to increased employment generation by way of creation & expansion of new businesses.

**Table 3: Employment Generation through Government Schemes (2016–2023)**

Year	Number of New Jobs Created (in Lakhs)	Major Contributing Schemes
2016	1.2	Startup India, PMEGP
2017	2.1	PMEGP, Mudra Yojana
2018	3.4	PMEGP, AIM, Stand-Up India
2019	4.2	PMEGP, Startup India
2020	3.1	PMEGP, Mudra Yojana
2021	4.8	Startup India, Stand-Up India
2022	5.6	PMEGP, Mudra Yojana
2023	6.2	PMEGP, Startup India

**Source:** Ministry of Labour and Employment (2023)

Table 3, it is clear that the employment creation through government-coordinated programmes increased from 2016 to 2023. From 1.2 lakh beneficiaries in 2016, employment generation reached 6.2 lakh beneficiaries in the year 2023, indicating the growing impact of schemes such as Stand-Up India, Start-Up India, PMEGP and Mudra Yojana." It's worth noting that 2018 played host to an unusually strong year for activity, as the elaborate global ecosystem programs like AIM gained momentum. PMEGP and Start-up India emerged as the most stable job creators, while Stand-Up India and Mudra Yojana provided direction in crucial years. These are good numbers and show that government policies actually can maintain business growth and job opportunities throughout all aspects of the economy.



**4. Impact on Women and Marginalised Entrepreneurs:** Initiatives such as TREAD and Stand-Up India have broadened people's access to training and credit, making women and underserved communities more empowered.

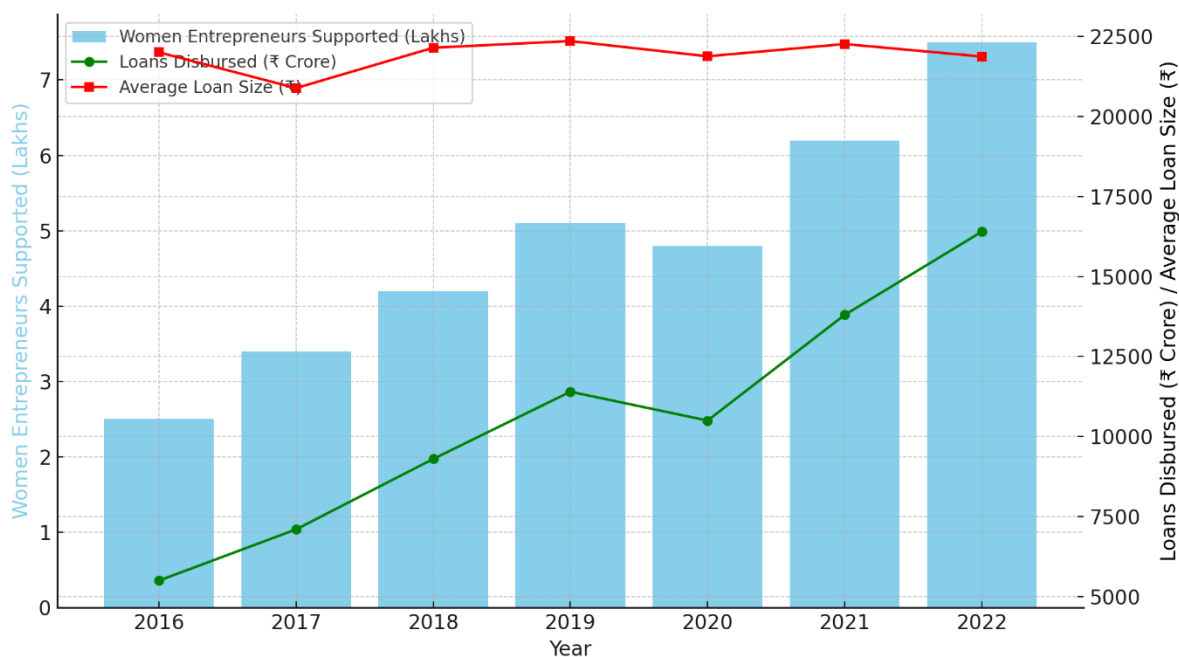
**Table 4: Impact on Women and Marginalised Entrepreneurs through Government Schemes (2016–2022)**

Year	Women Entrepreneurs Supported (in Lakhs)	Loans Disbursed (₹ Crore)	Average Loan Size (₹)
2016	2.5	5,500	22,000
2017	3.4	7,100	20,882
2018	4.2	9,300	22,142
2019	5.1	11,400	22,352
2020	4.8	10,500	21,875
2021	6.2	13,800	22,258
2022	7.5	16,400	21,867

Source: Ministry of Women and Child Development (2023)

The escalation in weightage provided for women and the weaker sect of entrepreneurs, as sanctioned under Stand-up India and TREAD slabs, is revealed in Table 4 from 2016 to 2022. From 2.5 lakh women entrepreneurs in 2016 to 7.5 lakh women entrepreneurs in 2022 clearly demonstrates the successful reach through focused financial inclusion and empowerment interventions. Loan disbursements have also gone up by leaps and bounds from ₹ 5,500 crore in 2016 to around ₹ 16,400 crore as of FY22, with the average ticket size remaining constant between ₹ 20,000 and ₹ 22,000. These developments illustrate the power of government-backed financial support to stimulate entrepreneurship and economic empowerment among historically underrepresented populations.

Impact on Women and Marginalized Entrepreneurs through Government Schemes (2016–2022)



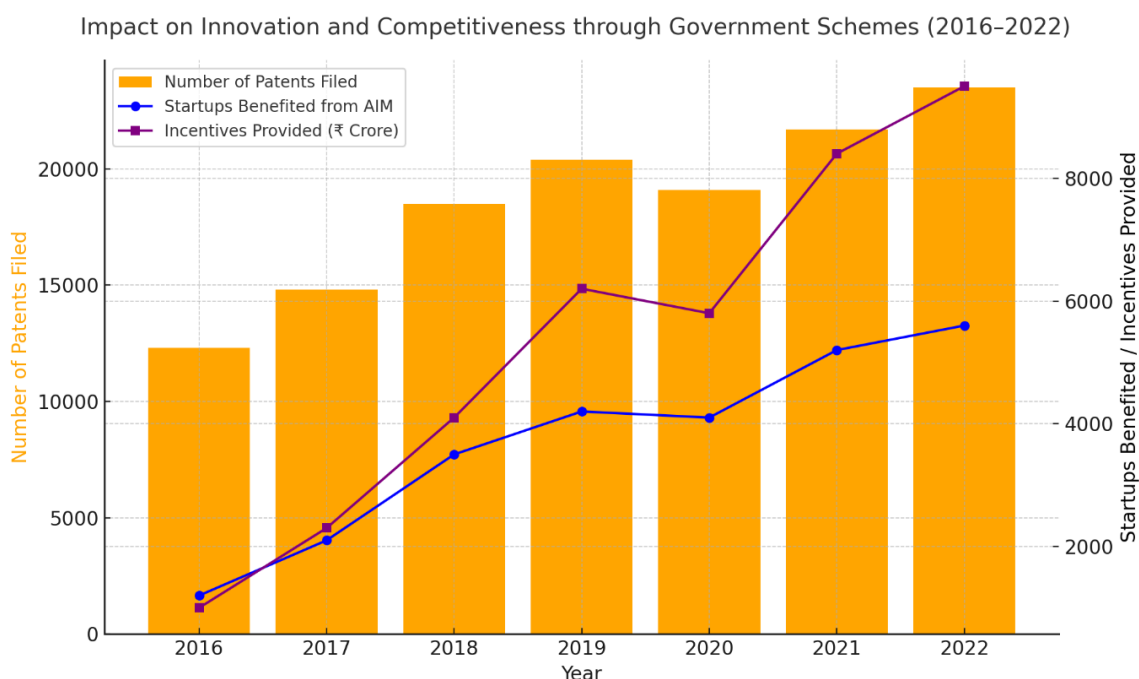
**5. Impact on Innovation and Competitiveness:** The Atal Innovation Mission and the Production Linked Incentive (PLI) Scheme will promote innovation and competitiveness among Indian companies.

**Table - 5 Impact on Innovation and Competitiveness through Government Schemes (2016–2022)**

Year	Number of Patents Filed	Startups Benefited from AIM	Incentives Provided (₹ Crore)
2016	12,300	1,200	1,000
2017	14,800	2,100	2,300
2018	18,500	3,500	4,100
2019	20,400	4,200	6,200
2020	19,100	4,100	5,800
2021	21,700	5,200	8,400
2022	23,500	5,600	9,500

**Source:** NITI Aayog and Department for Promotion of Industry and Internal Trade (DPIIT)

Table 5 also reflects the increasing government investments in schemes such as AIM and PLI, which can have a higher impact on innovative activity and business competitiveness. Patent applications more than doubled from 12,300 in 2016 to 23,500 this year, indicating a surge of innovative activity.



Companies benefiting from AIM increased between 2016, with 1,200, to around 5,600 in 2022. The start-up ecosystem is getting stronger with support for start-ups. PLI Scheme financial incentives increased from ₹ 1,000 crore in 2016 to ₹ 9,500 crore in 2022 (strengthening production capacity and technological upgrades). Clearly, these moves have also contributed to enhancing innovation as well as being competitive globally on the business front.

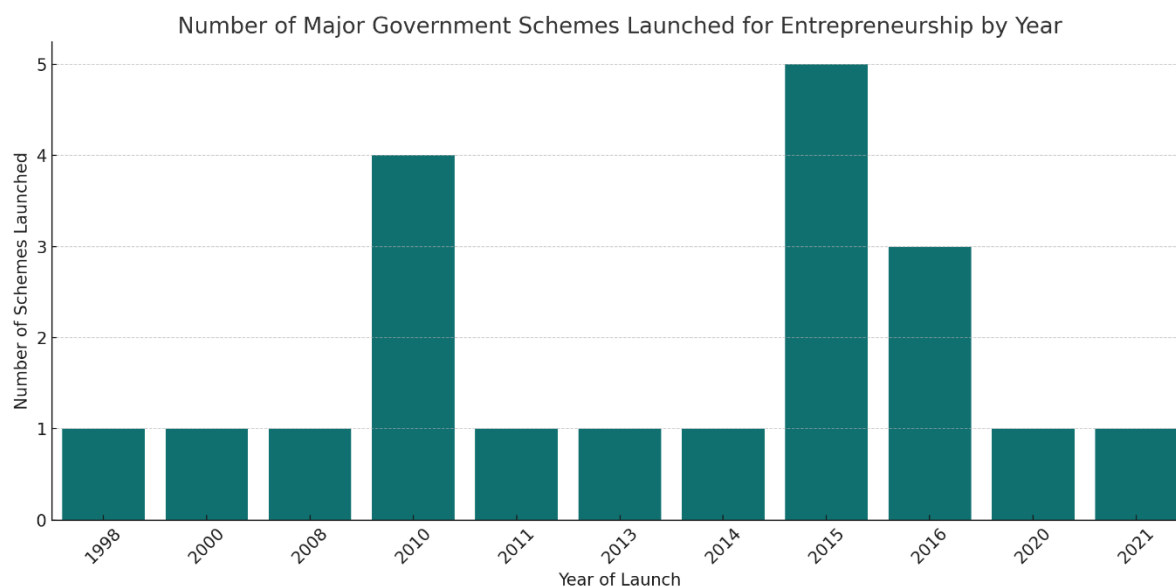
**Table 6: Impacts of Major Government Schemes on Entrepreneurship in India**

<b>Scheme</b>	<b>Year of Launch</b>	<b>Objective</b>	<b>Impact</b>
<b>Startup India</b>	2016	Support startups through tax exemptions, simplified registration, and funding	Over 35,000 startups registered by 2023; enhanced innovation ecosystem
<b>Make in India</b>	2014	Boost domestic manufacturing and reduce import dependency	Increased FDI inflow, improved infrastructure, and ease of doing business
<b>Pradhan Mantri Mudra Yojana (PMMY)</b>	2015	Provide collateral-free loans to micro and small enterprises	Over ₹4,48,040 crore disbursed; increased financial inclusion
<b>Stand-Up India</b>	2016	Support entrepreneurship among women and SC/ST communities	Over 1.5 lakh loans sanctioned; improved financial access for marginalised groups
<b>Atal Innovation Mission (AIM)</b>	2016	Promote innovation through incubation centres and tinkering labs	Established over 5,000 Atal Tinkering Labs and 200 incubation centres
<b>CGTMSE</b>	2000	Provide credit guarantees for micro and small businesses	Facilitated over ₹2 lakh crore in loans through credit guarantees
<b>National Skill Development Mission (NSDM)</b>	2015	Provide skill training and development for entrepreneurs	Trained over 1 crore individuals; improved employment opportunities
<b>TREAD</b>	1998	Support women entrepreneurs through financial assistance	Over ₹500 crore disbursed; increased participation of women in business
<b>Single-Window Clearance System</b>	Ongoing	Simplify business registration and compliance	Reduced registration time and improved ease of doing business

<b>PMEGP</b>	2008	Provide financial support and skill development for micro enterprises	Over 7 lakh enterprises established; generated employment for over 60 lakh people
<b>MUDRA Bank</b>	2015	Refinance loans for micro and small businesses	Over ₹3 lakh crore disbursed; enhanced working capital availability
<b>SISFS</b>	2021	Provide seed funding to early-stage startups	Over ₹400 crore disbursed; facilitated product development and market entry.
<b>VCA</b>	2015	Support agribusiness ventures through venture capital	Improved rural entrepreneurship; supported over 500 agri-businesses
<b>Coir Udyami Yojana (CUY)</b>	Ongoing	Promote coir-based production and employment	Supported over 1,000 coir units; increased rural employment
<b>PLI Scheme</b>	2020	Boost domestic manufacturing through financial incentives	Increased production in electronics, textiles, and automotive sectors
<b>NRLM</b>	2011	Promote self-employment and rural livelihoods	Over 50 lakh SHGs formed; improved rural employment and income levels
<b>DAY-NULM</b>	2013	Support urban self-employment and livelihoods	Over 2 lakh micro-enterprises supported; increased urban employment
<b>SETU Scheme</b>	2015	Provide incubation and seed funding for startups	Facilitated over 500 startups; improved self-employment opportunities
<b>EPCG Scheme</b>	Ongoing	Support export-oriented industries	Increased export competitiveness; facilitated market expansion
<b>Interest Subvention Scheme</b>	Ongoing	Reduce financial burden on MSMEs	Reduced loan repayment costs; increased the financial stability of MSMEs

Source: Ministry of Commerce and Industry (2023)

Table 6 : Details of major government policies on entrepreneurship in India. Programs like PMMY and Start-up India are leading to higher business formation and better financial inclusion. The PLI Scheme and Make in India have led to enhanced export competitiveness and domestic manufacturing direction. NSDM and SETU have broadened the talent pool, while Stand Up India and TREAD promoted the spirit of inclusiveness. The increase in investment and start-up registration incrementally reflects that the government’s policies were right, which will support entrepreneurship and the generation of jobs as well. These combine to present a diverse Indian entrepreneurial landscape.



### Financial Institutions and Regulatory Bodies as Enablers for Entrepreneurship in the Government of India Schemes

**SIDBI:** SIDBI supports MSMEs in India under VC, by providing the same through FFS and availing of collateral-free loans (under CGTMSE). It also provides concessional loans under SMILE.

Till 2023, SIDBI has disbursed more than ₹ 2.5 lakh crore, benefiting 3 million MSMEs for growth and expansion.

**Reserve Bank of India (RBI):** The RBI controls credit flow and monetary policy by mandating 40% bank credit to MSMEs and start-ups under PSL. Interest subvention and refinancing reduce the cost of funds, and the Start-up Credit Guarantee Scheme reduces bank risk. In 2023, PSL funding created ₹ 9.5 lakh crore, supported more than 6 million businesses and facilitated financial inclusion.

**National Bank for Agriculture and Rural Development (NABARD):** NABARD promotes rural entrepreneurs through linking of SHGs with credit institutions as part of the SBLP scheme and micro-finance through RRBs. The RIDF supports rural infrastructure. In the 38 years of its existence, NABARD has advanced around Rs 3 lakh crore to over 12 million rural entrepreneurs and supported employment generation and self-reliance in rural India.

**Public Sector, Private Banks:** Both public and private banks assist the government’s schemes (Ex, PMMY giving collateral-free loans up to 10 lakh and Stand-Up India- loans to

SC/ ST entrepreneur women up to ₹ 1 Crore). A15% capital subsidy is issued to MSMEs under CLCSS. PMMY has delivered ₹ 18 lakh crore to 40 million entrepreneurs since 2015.

**Ministry of Micro, Small and Medium Enterprises (MSME):** The MSME Ministry frames policy guidelines for promoting small enterprises. Under PMEGP, the assistance is financial in nature for microenterprises and infrastructure, including training, under the Cluster Development Programme. The Credit Guarantee Fund Scheme minimises the risk of banks for MSME loans. More than 8.2 lakh PMEGP projects have employed 65 lakh persons.

**DPIIT, Department for Promotion of Industry and Internal Trade:** DPIIT is responsible for industrial policy, including Start-up India and Make in India. Start-up India offers tax incentives, seed money and regulatory help, while Make in India encourages domestic manufacturing. In India, over 1,50,000 start-ups have been registered and out of which ₹ 12,000 crores have been disbursed through different modes of funding.

**SEBI (Securities and Exchange Board of India):** As one of the regulators, SEBI also regulates capital markets, which serve as an alternative source of funding for start-ups. The Public Listing is offered in the Innovators Growth Platform and VC funding through Alternative Investment Funds. Angel Tax Exemption benefits investors. SEBI's platforms have seen over 300 start-ups raising ₹ 5,000 crore from here.

**The KVIC, or Khadi and Village Industries Commission** The KVIC works to provide financial assistance and access to markets for rural industries. PMEGP finances them, takes entrepreneurs to trade fairs and trains them is done by MPDA. KVIC has provided employment to more than 40 lakh people and created an economic value of ₹ 1,20,000 crore.

Banks, government and regulators in India partially fuel entrepreneurship by providing finance, simplified regulations and sectoral backing. Improving outreach, financial literacy, and easing of red tape would further serve to entrench India's entrepreneurial ecosystem and commercial development.

## Research Findings

In line with the aim of this study to assess the extent, implication, and constraints of the government's new age support for entrepreneurship, results underscore the impact that flagship programmes such as Start-up India, MUDRA Yojana, and Stand-Up India play in enhancing the growth of start-ups and development of MSMEs. MUDRA Yojana - From 2015 till now, more than ₹ 18 lakh crore has been sanctioned to small units under MUDRA, and they do not require security collateral. The more than 1.5 lakh start-ups already registered under Start-up India are a testimony to its vast hinterland spread!

The facilities for credit through the likes of SIDBI and CGTMSE have enhanced financial reach, with Rs 2.5 lakh crore worth of loans assured to MSMEs. Programmes such as Stand-Up India and PMEGP have promoted inclusivity, with more than 75% of the beneficiaries under Stand-Up India being women entrepreneurs. Programmes such as Atal Incubation Centres (AICs) and Mentor India Network, with their primary strength of mentoring and handholding of start-ups, have energised the start-up ecosystem.

Besides, in a further fillip to these, platforms such as GeM and ECGC have given market access, both domestic and global, to 50K MSMEs. UPI and BHIM are driving financial inclusion and transactional efficiency. Sectoral efforts in the form of PLI and

TUFS have made the industry more competitive in sectors like manufacturing and textiles. But at the same time, some challenges are there, like the fund release is taking a long time. Too many formalities and don't have incubation centres to be set up in the rural areas. To accomplish the common objective of sustainable entrepreneurial development, channels need to be streamlined, awareness and financial literacy enhanced, and networks built in disadvantaged areas/ communities.

## **Conclusion**

India's entrepreneurial ecosystem has been deeply shaped by government schemes and policies to a great degree. The way, various schemes such as Start-up India, MUDRA Yojana, Stand-Up India and PMEGP have expanded the entrepreneurship opportunity frontier: by providing more credit facilities, financial support and a supportive regulatory system. They (the banks) will give all start-up or small-scale companies soft loans, and they will tell you to 'walk into your business' without struggling. Organisations like SBIBI, NABARD can play their own role in curbing obstacles to credit access.

Programmes such as the Mentor India Network, AICs have also facilitated nurturing of start-up aspirations by providing access to mentorship, market linkages and seed-funding. Digital platforms, including UPI, BHIM and GeM, have also ushered in efficiency in MSME business and market access. Details Sectoral schemes such as PLI, TUFS gave competitiveness not just to manufacturing, textiles/pharmaceuticals, but also in export promotion. Schemes ECGC settled even smaller companies in transactions and attempted to enter foreign markets.

Despite these improvements, significant obstacles persist in terms of inadequate information, procedural bottlenecks and delayed disbursement. To ensure such schemes are more successful, greater availability of credit, improved administration, wider dissemination, and training, plus enhanced financial literacy, is also crucial. Better methods of execution, by creating a favourable environment for PPPs, will also boost entrepreneurialism. If it's not, India will miss out on having a robust and inclusive entrepreneurship environment that would serve as the backbone of its bid to be a global innovation hub and be among the world's economic powerhouses.

## **Recommendations**

Awareness of the government programmes is still low, especially in rural areas, and there will have to be a focused media campaign involving local bodies, trade associations, etc. Closer cooperation with NGOs and schools, as well as help desks, could increase access to information. The long approval and documentation process is most discouraging to entrepreneurs; the only solution is a window application system with minimised paperwork and online submission of applications to fast-track the procedure. Credit will remain a big challenge, and it will have to be tackled through higher loan limits under both MUDRA and Stand-Up India. Schemes like Credit Guarantee Schemes (CGS) can also be further scaled up along with other alternative models of credit delivery. Second, we need them to be incubated and mentored. At this stage, we need more incubation centres and an ecosystem for mentorship. At this stage, setting up more Atal Incubation Centre, getting a national mentor network in place will greatly help as we support targeted business training. Making registration on the Government e-Marketplace (GeM) easier, supporting entrepreneurs in international trade fairs and strengthening the Export Credit Guarantee Corporation (ECGC) can improve market access. Advocating for digital penetration, making direct tax reforms

efficient & promoting Public Private Partnerships will boost India's entrepreneurship ecosystem.

### Scope for Future Research

Given the derived policy guidance of the government Entrepreneurship Schemes in India, there are several areas on which future studies can bring the spotlight to make them more efficient and inclusive. There is a need to carry out time trend analysis of the innovation, job creation and business survival effects of Start-up India, MUDRA Yojana and Stand-Up India. Such comparative work focusing on urban-rural differences and the access, implementation and impact of such interventions could help to design such more-targeted policy interventions.

Additional research on the extent to which such financial support has worked across schemes could also reveal where there are gaps in the provision and use of credit, for those running start-ups and micro-enterprises, among others. Similarly, the significance of digital platforms and technology adoption for market access and business operation in rural/ semi-urban areas also calls for a closer examination.

Research into the impact of public-private partnership (PPPs), mentorship, and incubation centres on entrepreneurial success also needs to be disaggregated by sector, such as manufacturing, agriculture, and technology. Addressing barriers facing women and minority enterprises, and analysing regional variations in policy impacts, may provide valuable insights into a more inclusive, broad-based entrepreneurial environment that is capable of responding to future challenges.

### Limitation

As helpful as that may be, there are obstacles for entrepreneurship in India yet to be cleared. Support programs are invisible to most, especially folks who live in small towns. 'Small business is being suffocated by complicated applications, mountains of paperwork and tough line borrowing conditions. Efficiency is also compromised by bureaucratic hurdles and late disbursement. The differences are emerging due to a lack of infrastructure, incubation centres and unbalanced policies. Sectoral-specific programmes, the industry-based schemes prioritise high-growth sectors and ignore all other forms of industry. Lack of equal opportunity for women and minorities is a form of suboptimal feedback, causing long-term slack in policy effectiveness.

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