

Entrepreneurial Schemes in India: Policy Framework, Implementation and Impact

Dr.T. Archana¹, Dr.B. Srikanth² and Dr. G. Jayanth Reddy³

¹Assistant Professor Agricultural Extension, ²-TA. Agricultural Statistics, ³TA. Agricultural Economics, Agricultural College, Polasa, Jagtial

Corresponding Author : archanaext1@gmail.com

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1. Introduction

India has transitioned from a control-oriented to a facilitative attitude to entrepreneurship throughout the past ten years. In order to promote innovation, employment, and inclusive growth, policy reforms and specialised programs have been implemented, particularly for Micro, Small, and Medium Enterprises (MSMEs) and start-ups. [1] By December 2024, the number of start-ups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) had increased from roughly 500 in 2016 to over 1.59 lakh, creating over 16.6 lakh direct jobs across industries. [2]

This chapter analyses the major flagship programs (Startup India, Pradhan Mantri Mudra Yojana, Stand-Up India, Atal Innovation Mission, and Skill/Digital initiatives) and their effects on women, rural, and agribusiness entrepreneurs. It also reviews the development of India's entrepreneurial policy framework since 2014. It also outlines future policies and major implementation concerns.

2. Evolution of India's Entrepreneurial Policy Framework

2.1 Pre-2014 Landscape

Prior to 2014, India had a disjointed, compliance-driven entrepreneurship policy that prioritised sectoral subsidies and industrial licensing over innovation. [3] Collateral-free lending, technology advancement, market access, and business development services were all persistent barriers for MSMEs. The majority of micro and small businesses remained informal, undercapitalised, and geographically concentrated in metropolitan areas, despite the early expansion of IT and services demonstrating the potential of knowledge-based entrepreneurship.

2.2 Post-2014 Policy Shift

Entrepreneurship has emerged as a key component of growth strategy since 2014. Startup India, Digital India, Make in India, Skill India, Mudra Yojana, and Stand-Up India are flagship programs that were introduced to establish an enabling environment that includes digital infrastructure, innovation networks, inclusive credit, and regulatory reforms. [1,2,4] Instead of just expanding the number of businesses, the emphasis shifted to creating an integrated ecosystem that included simplified taxation, easier exits, IP support, credit guarantees, incubation support, and targeted programs for women, Scheduled Castes (SCs), Scheduled Tribes (STs), and rural entrepreneurs.

3. Flagship Government Schemes for Entrepreneurship

3.1 Startup India

The cornerstone policy for creative, growth-oriented businesses is Startup India, which was introduced in

2016. It offers a Fund of Funds, DPIIT recognition, tax holidays, quicker IP processing, self-certification for some labour and environmental rules, and simpler access to public procurement. [1]

Over 16.6 lakh direct jobs in IT, health, professional services, and education were created by the 1.59 lakh start-ups that were recognised by December 2024. [2]

Significantly, start-up activity has expanded to Tier-2 and Tier-3 cities, demonstrating the spatial diversity of business potential.

3.2 Pradhan Mantri Mudra Yojana (PMMY)

Through the Shishu, Kishor, and Tarun categories, the Pradhan Mantri Mudra Yojana (PMMY) offers non-corporate, non-farm micro-enterprises collateral-free loans up to ₹10 lakh. [3] In order to help banks, NBFCs, and MFIs grow their microcredit portfolios, MUDRA mainly serves as a refinancing agency.

PMMY has approved significant amounts of credit between FY 2015–16 and FY 2024–25, with approximately 5.46 crore loans approved in FY 2024–25 alone. [4] Approximately two-thirds of recipients and a sizable portion of sanctioned sums are women, highlighting PMMY's significance for women-led businesses. [3, 4]

The prevalence of small, low-productivity “survival enterprises” with little room for expansion and growing non-performing assets (NPAs) in particular markets, however, continue to raise concerns.

3.3 Stand-Up India

By focussing on women and first-generation entrepreneurs from SC/ST communities, Stand-Up India enhances PMMY. For greenfield businesses in manufacturing, services, or trading, it enables bank loans ranging from ₹10 lakh to ₹1 crore.

At least one SC/ST borrower and one female borrower must receive handholding support from each bank branch via a dedicated portal and nodal officials. The program directly addresses structural obstacles that marginalised groups confront, including as discrimination, a lack of collateral, and constrained business networks.

3.4 Atal Innovation Mission (AIM)

The institutional cornerstone of innovation-driven entrepreneurship is the Atal Innovation Mission (AIM). It supports Atal Tinkering Labs (ATLs) in schools and Atal Incubation Centres (AICs) in universities and R&D facilities. [6]

More than a crore kids have been exposed to STEM, design thinking, and problem-solving techniques through the establishment of more than 10,000 ATLs. Through investor connections, seed assistance, and mentoring, AICs promote early-stage technological start-ups, particularly those in deep-tech industries like health, climate, and agriculture.

3.5 Skill and Digital Support (Skill India, Digital India, ESDP)

Both management and technical abilities are necessary for entrepreneurship. For young people, women, and SC/ST entrepreneurs in particular, Skill India and the Ministry of MSME's Entrepreneurship and Skill De-

velopment Programme (ESDP) offer short- and medium-term training on digital skills, marketing, financial literacy, and company planning. [7]

Digital India and associated programs (such as UPI, digital payments, and e-marketplaces) lower transaction costs, increase market penetration, and allow microbusinesses to engage in digital service delivery and e-commerce.

4. Women Entrepreneurs: Targeted Interventions and Progress

Even though they make up a sizable portion of MSME owners, women entrepreneurs still have to deal with gendered barriers such as restricted property ownership, mobility limitations, unpaid care obligations, and unfavourable credit market attitudes. [8] Thus, policy responses integrate women-specific forums with mainstream initiatives like PMMY, Stand-Up India, and Startup India. The Women Entrepreneurship Platform (WEP) of NITI Aayog provides knowledge, support, and recognition by combining programs, mentors, and market connections into a single online platform. [8] Research indicates that, particularly in rural and semi-urban regions, women-focused financial programs greatly increase business survival and revenue when paired with training and network assistance. [9]

However, women-led start-ups continue to receive a small portion of venture money, and many of them work in low-margin industries like food services, retail, and tailoring. It will take consistent focus on childcare, safety, social standards, and representation in fast-growing industries like manufacturing and technology to close this gap.

5. Sector-Specific and Regional Entrepreneurial Schemes

5.1 Agribusiness and Rural Entrepreneurship

Agri-startups and agribusiness incubators have grown rapidly in agriculture and related industries. Initiatives in input supply, precision agriculture, processing, and value addition are supported by Agribusiness Incubation (ABI) centres, which are supported by ICAR institutions, MANAGE, and other organisations. [10]

Through capacity building, business advisory services, and loan facilitation in rural blocks, the Start-up Village Entrepreneurship Programme (SVEP) under the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) assists SHG members in starting non-farm micro-enterprises. [3]

5.2 State-Level Initiatives

States including Karnataka, Maharashtra, Telangana, and Tamil Nadu have developed their own seed funds, co-working spaces, start-up rules, and incubators tailored to women (like Telangana's WE Hub). From IT and biotech to textiles, tourism, and food processing, these state-level initiatives support national programs and represent local concerns.

6. Financial and Institutional Architecture

Many of these programs are carried out by financial organisations like SIDBI and NABARD, as well as public and commercial banks, including refinancing, credit guarantees, and special credit lines to MSMEs. [3] By de-risking loans to borrowers without collateral, Credit Guarantee Fund Trust for Micro and Small Enterprises

(CGTMSE) and related instruments match incentives between lenders and entrepreneurs.

Training, mentoring, and market connections are offered by organisations including national entrepreneurship institutes, state MSME directorates, incubation networks, and industry associations, progressively moving from subsidy-centric to ecosystem-oriented support.

7. Implementation Challenges

Despite remarkable outreach, there are still a number of discrepancies between plan design and results: **Access and awareness:** Many potential beneficiaries, particularly in rural and tribal communities, are either unaware of programs or find the procedures difficult, which results in underutilisation. **Quality versus quantity:** Instead of focussing on enterprise quality, innovative content, or long-term survival, targets frequently highlight the quantity of loans or start-ups. In certain places, PMMY portfolios exhibit restricted graduation from micro to small/medium scale and growing NPAs. [3, 4]

Fragmentation: Programs might function in silos at times; loans, incubation, training, and digital platforms aren't always interconnected, which limits the possibility of synergies. **Gender and social equity:** Although women's and SC/ST participation has increased, they are still under-represented in formal venture capital flows and high-growth, technology-driven businesses. [8,9]

8. Impact and Future Directions

8.1 Employment and Inclusive Growth

These days, startups and MSMEs are a major source of income diversification and employment development. Over 16.6 lakh direct jobs have been created by DPIIT-recognized start-ups alone; PMMY and SVEP have further increased self-employment at the base of the pyramid. [2-4] Women, young people from rural areas, and first-generation business owners are becoming increasingly prevalent, which points to the development of more inclusive growth.

8.2 Strengthening the Ecosystem

Going forward, policy should focus on:

Innovation and enterprise quality: Switch from volume-based goals to outcome measures like export performance, employment quality, revenue growth, and technology adoption. Improved scheme integration Through shared portals and data sharing, connect credit (PMMY, Stand-Up India) with incubation (AICs, ABIs), digital platforms (Digital India, e-commerce), and skill programs (ESDP, Skill India).

Increasing social and gender equity: Increase childcare, safe transportation, mentoring, and the visibility of role models; promote women's involvement in STEM, manufacturing, and high-tech entrepreneurship.

Data-driven strategy: To improve eligibility requirements, target regions, and address inadvertent distortions (such as excessive debt or financial mismanagement), use real-time MIS and scheme evaluations.

9. Conclusion

Together, India's entrepreneurial initiatives mark a significant change from a constrictive regulatory framework to a proactive, ecosystem-building strategy. The number of entrepreneurs has increased thanks to Startup

India, PMMY, Stand-Up India, AIM, and related skill and digital initiatives, especially among women, youth, and marginalised communities. However, there are still issues with sustainability, innovation intensity, credit quality, and coordinated implementation.

Therefore, enterprise quality, integration across schemes and institutions, and a greater focus on gender and social fairness must be given top priority in the next phase of policy. India's entrepreneurial environment may continue to propel structural change, job creation, and inclusive, innovation-driven growth if these issues are resolved.

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