



## ENTREPRENEURSHIP DEVELOPMENT WITH STARTUP INDIA AND GOVERNMENT SCHEME

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Communicated : 09.09.2025

Revision : 15.09.2025

Accepted : 25.09.2025

Published: 15.10.2025

### ABSTRACT:

Entrepreneurship plays a significant role in the development of any country. Entrepreneurship acts as a pillar for the economic prosperity of a nation as it leads to generation of employment, contribution in national income, rural development, industrialization, technological development, export promotion etc. In India, the government from time to time for entrepreneurship development in the country has taken various initiatives. Indian Government and various state governments of India came up with good policies and schemes to encourage and empower Start-ups and Business Incubation Centers in India. In order to boost Start-up culture and innovative environment, the government of India initiated a “Start-up India Stand-up India” Scheme or a platform Entrepreneurship has attracted the attention of policymakers in India. A series of high-level initiatives, including Startup India, have been launched to launch to promote private sector development. However, the role of entrepreneurship in development remains a mystery for many policy observers. The main purpose of this paper is to study about Entrepreneurship in India and its Promotion Under 'Startup India Scheme'. Innovation and technology have played a crucial role in developing emerging markets, and strengthening ecosystems worldwide, especially in India. India has a vibrant startup ecosystem with supporting infrastructure, incubators, angel investors, venture capitalists, mentors and a conducive policy environment. The journey of startup India campaign has successfully nurtured a large number of startup firms in the country, and has enabled thousands of youth to be employed & fulfill their dreams of building a startup.

**Keywords:** *Entrepreneurship, Startup India, Innovation, Government Scheme.*

### INTRODUCTION :

#### ENTREPRENEURSHIP

According to A.H. Cole, “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize a profit-oriented business unit for the production or distribution of economic goods and services”.

There are three main conceptual approaches to entrepreneurship. The first approach is functional which is concerned with the dynamic actor that makes key decisions on investment, production, innovation, location, research and development. From this perspective, entrepreneurship is a psychological trait referring to dynamism, creativity and originality. The approach also includes managers of MNCs, state owned enterprises, profit/non-profit organization and a variety of organizations.

Dynamic entrepreneurs within the second approach focuses on the firm as the key economic factor. The firms included here are owner operated firms, incorporated joint stock companies, state owned joint venture firms and subsidiaries of multinationals. These firms are the units that make the key decisions on investment, on branching into activities or sectors, or relocating to other countries. The third approach focuses on owner-operated enterprises. Within this approach, the entrepreneur is the owner and is actively involved in running the business. This relates mainly to the small and the medium sized enterprises, start-ups and self-employment.

## START UP INDIA

Startup India is an Indian Government initiative aimed at nurturing entrepreneurship and promoting innovation by creating an ecosystem that is favorable to the Startups growth and development. The scheme launched by the Indian government will definitely help the Young entrepreneurs to fulfill their dreams and creating employment opportunities along with the development of the Indian Economy.

India is becoming one of the world's fastest-growing startup ecosystems, with over 1, 40,000 registered startups contributing to innovation, employment, and economic growth. To fuel this growth, the Indian government has introduced several schemes that provide funding, tax exemptions, infrastructure support, and market access to startups.

India's burgeoning startup ecosystem is supported by numerous government initiatives. The Startup India Initiative offers tax exemptions and a Fund of Funds. Stand-Up India promotes entrepreneurship among SC/ST and women, providing accessible loans. The Credit Guarantee Fund Trust provides collateral-free loans to MSMEs. Atal Innovation Mission fosters innovation through Atal Tinkering Labs and Incubation Centers. Schemes like SAMRIDH, SIP-EIT, and Digital India Bhashini provide financial aid, patent protection, and support for AI-based language solutions. Startups can access government procurement through the Gem portal. MUDRA Banks offer micro financing, while MeitY Startup Hub promotes deep-tech innovation. The Startup India Seed Fund Scheme offers seed funding. Spice+ simplifies company incorporation. These diverse programs collectively aim to boost innovation, provide financial assistance, and ease regulatory burdens for startups in India.

## GOVERNMENT OF INDIA SUPPORT FOR INNOVATION AND ENTREPRENEURSHIP IN INDIA

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. Initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country. Entrepreneurship has attracted the attention of policymakers in India. A series of high-level initiatives, including Startup India, have been launched to promote private sector development. However, the role of entrepreneurship in development remains a mystery for many policy

### **A few of India's efforts at promoting entrepreneurship and innovate on are:**

#### **sStartup India:**

Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360-degree approach to enable startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup Centres across the

country by creating a strong network of academia and industry bodies. More importantly, a 'Fund of Funds' has been created to help startups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which startups can innovate and excel without any barriers, through such mechanisms as online recognition of startups, Startup India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.

#### **Make in India:**

Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul outdated processes and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

#### **Atal Innovation Mission (AIM):**

AIM is the Government of India's endeavor to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in

technology driven areas. In order to foster curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centres (AICs) are another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. AICs provide world class incubation facilities with appropriate physical infrastructure in terms of capital equipment and operating facilities. These incubation Centres, with a presence across India, provide access to sectoral experts, business planning support, seed capital, industry partners and trainings to encourage innovative start-ups.

#### **Department of Science and Technology (DST)**

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The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the ASEAN-India Science, Technology and Innovation Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.

#### **Support to Training and Employment Programmed for Women (STEP):**

STEP was launched by the Government of India's Ministry of Women and Child

Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

**Jan Dhan- Aadhaar- Mobile (JAM):**

JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.

**Science for Equity Empowerment and Development (SEED):**

SEED aims to provide opportunities to motivated scientists and field level workers to undertake action oriented, location specific projects for socio economic gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroots to enable access to inputs from experts, quality infrastructure. SEED emphasizes equity in development, so that the benefits of technological accrue to a vast section of the population, particularly the disadvantaged.

**Digital India:**

The Digital India initiative was launched to modernize the Indian economy to make all government services available electronically. The initiative aims to transform India into a digitally empowered society and knowledge economy with

universal access to goods and services. Given historically poor internet penetration, this initiative aims to make available high-speed internet down to the grassroots. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure, and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.

**Stand-Up India:**

Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards this end, at least one woman and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up Greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.

**Trade related Entrepreneurship Assistance and Development (TREAD):**

To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities, and receiving counseling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

**Biotechnology Industry Research Assistance Council (BIRAC):**

BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of innovative technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

**Pradhan Mantri Kaushal Vikas Yojana (PMKVY):**

A flagship initiative of the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program.

**National Skill Development Mission:**

Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii) Infrastructure (iii) Convergence (iv) Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure.

In India, the past few decades have seen a major rise in the area of Entrepreneurship. In the early

nineties, with India opening up to foreign investments through the much needed policies of liberalization, the Indian market saw multitudes of foreign companies willing to invest in the India market.

**CONCLUSION :**

Today, India has become fertile ground for breeding new entrepreneurs. Present markets are liquid, vibrant and as the recent economic factors has shown, much more stable as compared to markets of other countries. It is well established that education is a prime factor which contributes to the development of entrepreneurship. Indian Startups are now spread across the length and breadth of the country. It is pertinent that the Startup ecosystem is well integrated to connect startups to fund houses and various stakeholders. utilising technology, and asking for mentorship and advice from seasoned business owners. Due to a growing market and a thriving ecosystem, Indian startups have the opportunity to be highly successful and to aid in the country's economic growth. However, to thrive in this ecosystem , Startups need to focus on key areas such as market research, building a strong team, fostering innovation, leveraging technology, forming strategic partnerships, and adopting a customer centric approach. It is also crucial to stay updated on government support and initiatives that can provide valuable resources and funding. Access to technology, increase in foreign direct investments and other de-regulation policies are throwing up new opportunities every day

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Table 1 :

## Tabular Comparison of Top Government Schemes for Startup in India:

Scheme Name	Launched	Objective	Key Benefits
<b>Startup India Initiative</b>	2016	Promote innovation & entrepreneurship	3-year tax holiday, ₹10,000 Cr Fund of Funds, self-certification under laws, simplified registration
<b>Stand-Up India</b>	2016	Support SC/ST & women entrepreneurs	Loans between ₹10L-₹1 Cr, 7-year repayment, promotes inclusivity in entrepreneurship
<b>Startup India Fund of Funds</b>	2016	Increase capital for startups	₹10,000 Cr corpus through SIDBI, indirect funding via VCs, no direct investment in startups
<b>CGTMSE</b>	2000	Collateral-free loans to MSMEs	Up to ₹2 Cr collateral-free credit, covers term loans & working capital
<b>Atal Innovation Mission (AIM)</b>	2016	Foster innovation & entrepreneurship	Atal Tinkering Labs, Atal Incubation Centers, mentorship & partnership opportunities
<b>SAMRIDH Scheme</b>	2021	Support early-stage startups	Up to ₹40 lakh financial support, access to accelerators, focus on deep-tech & digital innovation
<b>SIP-EIT</b>	2014	International patent protection	Up to ₹15 lakh reimbursement for patent filing, attorney & examination fees
<b>Digital India Bhashini Initiative</b>	2022	AI-based language solutions	Support for Indic language tech, connects startups to market opportunities
<b>GeM for Startups</b>	2016	Direct access to government procurement	Startups can register as sellers on GeM, no tender requirements for some startups
<b>MUDRA Banks (PMMY)</b>	2015	Micro-financing for small businesses	Loans under Shishu (₹50k), Kishor (₹5L), Tarun (₹10L), no collateral required
<b>MeitY Startup Hub (MSH)</b>	2019	Promote deep-tech innovation	Financial support, accelerator programs, access to R&D labs, mentorship
<b>Startup India Seed Fund Scheme (SISFS)</b>	2021	Seed funding for early-stage startups	Grants up to ₹20L for prototypes, up to ₹50L investment as convertible debentures
<b>Aatmanirbhar Bharat App Challenge</b>	2020	Promote homegrown app development	Financial rewards for top apps in AI, gaming, e-learning, health, fintech
<b>SPICe+</b>	2020	Simplify company incorporation	Integrated services for registration (PAN, GST, EPFO, etc.), single-window process
<b>Software Technology Park (STP)</b>	1991	Boost IT & software export sectors	100% tax exemption on software exports, duty-free import of capital goods
<b>DIDF</b>	2017	Modernize dairy startups & cooperatives	Long-term loans at concessional interest, support for milk processing, chilling plants
<b>Multiplier Grants Scheme (MGS)</b>	2016	Industry-academia collaboration for R&D	Govt matches industry contributions, grants up to ₹2 Cr (individual), ₹10 Cr (collaborative projects)