

AS INTRODUCED IN THE RAJYA SABHA  
ON THE 7<sup>TH</sup> FEBRUARY, 2025

**Bill No. XXXVI of 2024**

THE ENTREPRENEURSHIP LEAVE BILL, 2024

A  
BILL

*to make provisions in the service conditions of Central Government employees, employees of Public Sector Undertakings, employees of statutory, autonomous, and constitutional bodies, so as to enable them to avail upto two years of unpaid leave to pursue their startup venture and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India as follows:—

CHAPTER I  
PRELIMINARY

- |    |    |   |                               |
|----|----|---|-------------------------------|
| 5  | 1. | (1) This Act may be called the Entrepreneurship Leave Act, 2024.  | Short title and commencement. |
|    |    | (2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint. |                               |
|    | 2. | In this Act, unless the context otherwise requires,—  | Definitions.                  |
| 10 |    | (a) "Entrepreneurship Leave" means a period of unpaid leave granted to an employee to pursue a startup venture;             |                               |

For the purpose of this clause, subject to the provisions of any law made in this behalf by Parliament, or any rules prescribed under this Act, a “startup venture” shall mean a newly established entity incorporated either as a private limited company or a partnership firm or a limited liability partner with limited resources and turnover working towards innovation, deployment, development or commercialization of new processes, products or services driven by technology or intellectual property or recognized as such by the Government of India; 5

(b) "employee" means any individual employed on a permanent basis in the Central Government, or Public Sector Undertakings, or statutory or autonomous bodies, or constitutional bodies; 10

(c) "Head of the Organization" means the highest-ranking official or authority within the respective organization competent or authorised to grant leave as prescribed by rules made under this Act; and 15

(d) “prescribed” means prescribed by rules made under this Act.

## CHAPTER II

### GRANT OF ENTREPRENEURSHIP LEAVE

Eligibility and duration for grant of Entrepreneurship Leave. 3. (1) Any employee who has completed a minimum of five years of continuous service shall be eligible to apply for Entrepreneurship Leave. 20

(2) The Entrepreneurship Leave shall be granted only once during the entire service for a period not exceeding two years.

Procedure for application and sanction of Entrepreneurship Leave. 4. (1) An eligible employee desiring to avail Entrepreneurship Leave shall submit an application in such form and manner as may be prescribed, to the Head of the Organization, stating the purpose and duration of the leave. 25

(2) The Head of the Organization shall have the authority to sanction the Entrepreneurship Leave after considering the application and subject to the conditions of admissibility, as provided in this Act and such other conditions for grant of such leave, as may be prescribed. 30

(3) The Entrepreneurship Leave shall be sanctioned at the discretion of the Head of the Organization subject to the exigencies of service and his decision thereon shall be treated as final.

## CHAPTER III

### MISCELLANEOUS 35

Preservation of service. 5. (1) The period of Entrepreneurship Leave shall not be counted as a break in service for the purposes of seniority, promotion, or other service benefits.

(2) No financial benefits shall be payable during the period of Entrepreneurship Leave.

Accounting of Entrepreneurship Leave and combination with leave of other kinds. 6. The manner and procedure of accounting of Entrepreneurship Leave and its combination with leave of other kinds available to the employee concerned as per the existing leave rules in his organization, shall be such as may be prescribed. 40

	7.	The provisions of this Act and the rules made thereunder shall be in addition to the existing leave rules applicable to the concerned employee in his organisation, and not in derogation of, any other law, rules, orders or instructions for the time being in force.	Act to supplement other laws.
5	8.	If any difficulty arises in giving effect to the provisions of this Act, the Central Government may make such order or give such direction, not inconsistent with the provisions of this Act, as may appear to be necessary or expedient for removing such difficulty.	Power to remove difficulties.
10	9.	(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.	Power to make rules.
15		(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be	
20		of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.	

## STATEMENT OF OBJECTS AND REASONS

India, being a young nation with a growing population of aspiring entrepreneurs, recognizes the need to encourage and support its citizens in their entrepreneurial endeavors. This Bill seeks to provide Central Government employees, employees of Public Sector Undertakings, statutory, autonomous, and constitutional bodies with the opportunity to take upto two years of unpaid leave, to be known as Entrepreneurship Leave to pursue their startup ventures. This initiative aims to foster innovation and entrepreneurship, thereby contributing to the nation's economic growth and development. Further, the provisions of this Bill will ensure that employees can return to their positions without any loss of seniority or service benefits, with duration of their entrepreneurial leave being counted for the purpose of next promotion, thus providing a secure environment for entrepreneurial pursuits.

Hence this Bill.

VIVEK K. TANKHA

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill empowers the Central Government to make provisions through an order to remove any difficulties likely to arise in giving effect to the provisions of the Bill, if enacted. Clause 9 of the Bill empowers the Central Government to make rules for carrying out the purposes of this Act. As the orders and rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

RAJYA SABHA

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*(Shri Vivek K. Tankha, M.P.)*