

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
RAJYA SABHA
UNSTARRED QUESTION NO. 2047
ANSWERED ON 20.12.2023

SKILL PROGRAMMES FOR SMALL BUSINESS

2047. Shri Jaggesh:

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:-

- (a) whether it is a fact Government has turned its focus on enhancing skill programmes for small business;
- (b) whether these programmes include incentivizing skills training for micro, small and medium enterprises (MSMEs);
- (c) whether Government has taken steps to provide tailor-made courses to meet the demand for skilled workers from small enterprises; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
(SHRI DHARMENDRA PRADHAN)

(a) to (d) Under the Government of India's Skill India Mission (SIM), the Ministry of Skill Development and Entrepreneurship (MSDE) delivers skill, re-skill and up-skill training through an extensive network of skill development centres/colleges/institutes etc. under various schemes, viz. Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Jan Shikshan Sansthan (JSS), National Apprenticeship Promotion Scheme (NAPS) and Craftsman Training Scheme (CTS) through Industrial Training Institutes (ITIs), to all the sections of the society across the country. The SIM aims at enabling youth of India to get future ready and industry ready skills.

I. Ministry of Skill Development and Entrepreneurship (MSDE) through National Institute for Entrepreneurship and Small Business Development (NIESBUD) and Indian Institute of Entrepreneurship (IIE), Guwahati has been working for the empowerment, upliftment and development of entrepreneurs across the country. MSDE has taken various initiatives towards enhancing skill programmes for small business across the country. The details of the various initiatives taken by MSDE are as under:

- (i) **Strengthening Entrepreneurial Climate through Capacity Building, Incubation Support, Mentoring and Handholding sanctioned under Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) Scheme**

NIESBUD has implemented the project for strengthening the entrepreneurship ecosystem to different sections of the society including marginalized population with the support of SANKALP Programme of the Ministry of Skill Development and Entrepreneurship (MSDE). A total of 24,140 beneficiaries have been covered in the project through capacity building interventions.

(ii) Organising Workshops in Artisan Melas and Haats

NIESBUD has implemented a project supported by the MSDE for organising workshops for capacity building and providing entrepreneurial knowledge to the artisans during the Melas and Haats. A total of 592 beneficiaries have been covered in the project.

(iii) Creating Entrepreneurial Climate through Training of Trainers and Entrepreneurship Development Programme in Jan Shikshan Sansthan (JSS)

NIESBUD has implemented a project for Creating Entrepreneurial Climate through Training of Trainers and Entrepreneurship Development Programme in Jan Shikshan Sansthans (JSS). A total of 4,973 JSS Trainers have been trained in the project through Trainers Training Programme on Employability, Entrepreneurship and Life Skills.

(iv) Pilot Project for Entrepreneurship Development Program

NIESBUD has implemented a Pilot Project for Entrepreneurship Development Program in 10 States sponsored by the Ministry of Skill Development and Entrepreneurship which aims at creating, fostering and promoting the spirit of entrepreneurship among the target groups through Entrepreneurship Development Programme, Mentoring and Handholding support. A total of 5,000 participants have been trained in the project.

(v) Indian Institute of Entrepreneurship (IIE), Guwahati - The Institute is engaged in skill development projects such as PMKVY, SANKALP, DC-MSME and PM Vishwakarma fostering capacity building for entrepreneurs. These initiatives aim to equip individuals with market-relevant skills, ensuring their readiness for the dynamic business landscape. The Institute has developed and delivered tailor-made skill training programmes for workers in food processing sector for Government of Assam (APART-Assam Agribusiness and Rural Transformation Project). The Institute has also developed tailor-made programme in Bamboo & Handicraft sector for SIDBI sponsored project – Village Enterprise Development in Tripura.

II. The details of the various initiatives/programmes undertaken by Ministries/Departments of the Government towards enhancing skill programmes for small business across the country are as under:

(i) Department for Promotion of Industry and Internal Trade (DPIIT) - The Government with an intent to build a strong ecosystem for nurturing innovation, startups and encouraging investments in startup ecosystem of the country launched the Startup India initiative on 16th January 2016. The Government unveiled a Startup India Action Plan comprising of schemes and incentives envisaged to create a vibrant startup ecosystem in the country. The Action Plan comprises of 19 action items spanning across areas such as “Simplification and handholding”, “Funding support and incentives” and “Industry-academia partnership and incubation”. For attaining specific objectives of the Action Plan, various schemes and programs are being

implemented by the Government. As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th February 2019, DPIIT has recognised a total of 1,14,902 entities as startups, as on 31st October 2023.

The details of the programs implemented by the Government under the Startup India initiative to support and promote the startup ecosystem are placed as **Annexure-I**.

(ii) **Ministry of Electronics and Information Technology (MeitY)** is implementing a programme FutureSkills PRIME (Programme for Re-skilling/Up-skilling of IT Manpower for Employability) which is being implemented in partnership with Industry which deals with the following future-ready and industry-ready technologies:

- Artificial Intelligence,
- Robotic Process Automation,
- Augmented/Virtual Reality,
- Internet of Things,
- Big Data Analytics,
- Additive Manufacturing/ 3D Printing,
- Cloud Computing,
- Social & Mobile,
- Cyber Security, and
- Blockchain

The FutureSkills PRIME Programme follows an ‘aggregator of aggregators’ approach for digital skills training through a national-scale online platform. So far, more than 6.6 lakh candidates have been enrolled in various courses, out of which 2.7 lakh candidates have completed their courses. In addition, 40 C-DAC/ NIELIT Resource Centres (Lead/ Co-Lead Centres) have so far trained 10,637 Government Officials and 2,191 Trainers under the said programme.

(iii) **Ministry of Micro, Small and Medium Enterprises (MSME)** through Khadi and Village Industries Commission (KVIC), is implementing Prime Minister’s Employment Generation Programme (PMEGP) for assisting entrepreneurs across the country in setting up of new units in the non-farm sector. It aims to provide employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep. Under the scheme, General Category beneficiaries can avail of Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region, Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector. Own contribution of beneficiaries under Special Category is 05% in comparison to 10% for General Category beneficiaries. Existing PMEGP/REGP/MUDRA enterprises are also supported with 2nd loan to upgrade the units. Maximum project cost admissible for Margin Money (MM) subsidy under manufacturing sector is Rs. 1.00 crore and for Service sector, it is Rs. 25 Lakhs. Eligible subsidy on 2nd loan for all categories is 15% of project cost (20% for NER & Hill States).

Since 2008-09 and till 30.11.2023, about 9.16 lakh micro enterprises have been assisted across the country with a Margin Money (MM) subsidy of Rs. 23,770.28 crore providing employment to an estimated 74.87 lakh persons.

Further, the Ministry is implementing a Assistance to Training Institutions (ATI) Scheme. The objective of the scheme is to provide to National level training institutions operating under the Ministry of MSME, namely, Ni-MSME, KVIC, Coir Board, Tool Rooms, National Small Industries Corporation (NSIC) & Mahatma Gandhi Institute for Rural Industrialization (MGIRI) in the form of capital grant for the purpose of creation and strengthening of infrastructure and support for entrepreneurship development and skill development training programmes. Assistance is also provided to existing State level Entrepreneurship Development Institutes (EDIs) for creation or strengthening/expansion of their training infrastructure. The amount of assistance will not exceed the actual amount required for creation or strengthening/expansion of the infrastructure required by the training institutions of Ministry. Scale of maximum assistance to the State level EDIs is restricted to Rs.3.00 Crore in each case.

(iv) **Ministry of Women & Child Development** – The Government implements 'Mission Shakti' – an integrated women empowerment programme as umbrella scheme for safety, security and empowerment of women. The Umbrella Scheme of Mission Shakti has two sub-schemes namely 'Sambal' and 'Samarthya'. 'Samarthya' sub- scheme, has a component i.e. Hub for Empowerment of Women (HEW) at National, State and District levels for Empowerment of Women. HEW aims to facilitate inter-sectoral convergence of schemes and programs meant for women at the Central, State/ UT and district levels with the mandate to create an environment in which women realize their full potential. The support under the HEW is for guiding, linking and hand holding women to various institutional and schematic set ups for their empowerment and development including facilitating access to healthcare, quality education, career and vocational counselling/ training, financial inclusion, entrepreneurship, backward and forward linkages, health and safety for workers, social security and digital literacy at districts/ Blocks/ Gram Panchayats level across the country.

ANNEXURE-I REFERRED TO RAJYA SABHA UNSTARRED QUESTION NO. 2047 REGARDING ‘SKILL PROGRAMMES FOR SMALL BUSINESS’ ANSWERED ON 20.12.2023

The details of the programs implemented by the Government under the Startup India initiative to support and promote the startup ecosystem are as under:

- i. **Startup India Action Plan:** An Action Plan for Startup India was unveiled on 16th January 2016. The Action Plan comprises of 19 action items spanning across areas such as “Simplification and handholding”, “Funding support and incentives” and “Industry-academia partnership and incubation”. The Action Plan laid the foundation of Government support, schemes and incentives envisaged to create a vibrant startup ecosystem in the country.
- ii. **Startup India: The Way Ahead:** Startup India: The Way Ahead at 5 years celebration of Startup India was unveiled on 16th January 2021 which includes actionable plans for promotion of ease of doing business for startups, greater role of technology in executing various reforms, building capacities of stakeholders and enabling a digital Aatmanirbhar Bharat.
- iii. **Startup India Seed Fund Scheme (SISFS):** Easy availability of capital is essential for entrepreneurs at the early stages of growth of an enterprise. The capital required at this stage often presents a make-or-break situation for startups with good business ideas. The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 crore has been sanctioned under the SISFS Scheme for period of 4 years starting from 2021-22.
- iv. **Fund of Funds for Startups (FFS) Scheme:** The Government has established FFS with corpus of Rs. 10,000 crore, to meet the funding needs of startups. DPIIT is the monitoring agency and Small Industries Development Bank of India (SIDBI) is the operating agency for FFS. The total corpus of Rs. 10,000 crore is envisaged to be provided over the 14th and 15th Finance Commission cycles based on progress of the scheme and availability of funds. It has not only made capital available for startups at early stage, seed stage and growth stage but also played a catalytic role in terms of facilitating raising of domestic capital, reducing dependence on foreign capital and encouraging home grown and new venture capital funds.
- v. **Credit Guarantee Scheme for Startups (CGSS):** The Government has established the Credit Guarantee Scheme for Startups for providing credit guarantees to loans extended to DPIIT recognized startups by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds. CGSS is aimed at providing credit guarantee up to a specified limit against loans extended by Member Institutions (MIs) to finance eligible borrowers viz. DPIIT recognised startups.
- vi. **Regulatory Reforms:** Over 55 regulatory reforms have been undertaken by the Government since 2016 to enhance ease of doing business, ease of raising capital and reduce compliance burden for the startup ecosystem.
- vii. **Ease of Procurement:** To enable ease of procurement, Central Ministries/ Departments are directed to relax conditions of prior turnover and prior experience in public procurement for all DPIIT recognised startups subject to meeting quality and technical

- specifications. Further, Government e-Marketplace (GeM) also facilitates and promotes procurement of products and services by the Government from startups.
- viii. **Self-Certification under Labour and Environmental laws:** Startups are allowed to self-certify their compliance under 9 Labour and 3 Environment laws for a period of 3 to 5 years from the date of incorporation.
 - ix. **Income Tax Exemption for three (03) years:** Startups incorporated on or after 1st April 2016 can apply for income tax exemption. The recognized startups that are granted an Inter-Ministerial Board Certificate are exempted from income-tax for a period of 3 consecutive years out of 10 years since incorporation.
 - x. **Faster Exit for Startups:** The Government has notified Startups as 'fast track firms' enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies.
 - xi. **Exemption for the Purpose Of Clause (VII)(b) of Sub-section (2) of Section 56 of the Act (2019):** A DPIIT recognized startup is eligible for exemption from the provisions of section 56(2)(viib) of the Income Tax Act.
 - xii. **Support for Intellectual Property Protection:** Startups are eligible for fast-tracked patent application examination and disposal. The Government launched Start-ups Intellectual Property Protection (SIPP) which facilitates the startups to file applications for patents, designs and trademarks through registered facilitators in appropriate IP offices by paying only the statutory fees. Facilitators under this Scheme are responsible for providing general advisory on different IPRs, and information on protecting and promoting IPRs in other countries. The Government bears the entire fees of the facilitators for any number of patents, trademark or designs, and startups only bear the cost of the statutory fees payable. Startups are provided with an 80% rebate in filing of patents and 50% rebate in filling of trademark vis-a-vis other companies.
 - xiii. **Startup India Hub:** The Government launched a Startup India Online Hub on 19th June 2017 which is one of its kind online platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other. The Online Hub hosts Startups, Investors, Funds, Mentors, Academic Institutions, Incubators, Accelerators, Corporates, Government Bodies and more.
 - xiv. **International Market Access to Indian Startups:** One of the key objectives under the Startup India initiative is to help connect Indian startup ecosystem to global startup ecosystems through various engagement models. This has been done through international Government to Government partnerships, participation in international forums and hosting of global events. Startup India has launched bridges with 20 countries that provide a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
 - xv. **Startup India Showcase:** Startup India Showcase is an online discovery platform for the most promising startups of the country chosen through various programs for startups exhibited in a form of virtual profiles. The startups showcased on the platform have distinctly emerged as the best in their fields. These innovations span across various cutting-edge sectors such as Fintech, EnterpriseTech, Social Impact, HealthTech, EdTech, among others. These startups are solving critical problems and have shown exceptional innovation in their respective sectors. Ecosystem stakeholders have nurtured and supported these startups, thereby validating their presence on this platform.
 - xvi. **National Startup Advisory Council:** The Government in January 2020 notified constitution of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment

- opportunities. Besides the ex-officio members, the council has a number of non-official members, representing various stakeholders from the startup ecosystem.
- xvii. **National Startup Awards (NSA):** National Startup Awards is an initiative to recognize and reward outstanding startups and ecosystem enablers that are building innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact. Handholding support is provided to all the finalists across various tracks viz. Investor Connect, Mentorship, Corporate Connect, Government Connect, International Market Access, Regulatory Support, Startup Champions on Doordarshan and Startup India Showcase, etc.
 - xviii. **States' Startup Ranking Framework (SRF):** States' Startup Ranking Framework is a unique initiative to harness strength of competitive federalism and create a flourishing startup ecosystem in the country. The major objectives of the ranking exercise are facilitating states to identify, learn and replace good practices, highlighting the policy intervention by states for promoting startup ecosystem and fostering competitiveness among states.
 - xix. **Startup Champions on Doordarshan:** Startup Champions program on Doordarshan is a one-hour weekly program covering stories of award winning/ nationally recognised startups. It is telecasted in both Hindi and English across Doordarshan network channels.
 - xx. **Startup India Innovation Week:** The Government organises Startup India Innovation week around the National Startup Day, i.e., 16th January, with the primary goal to bring together the country's key startups, entrepreneurs, investors, incubators, funding entities, banks, policymakers, and other national/international stakeholders to celebrate entrepreneurship and promote innovation.
 - xxi. **ASCEND:** Under ASCEND (Accelerating Startup Caliber & Entrepreneurial Drive), sensitization workshops on startups and entrepreneurship were conducted for all eight North Eastern States with the objective to capacitate and augment knowledge on key aspects of entrepreneurship and continue efforts towards creating a robust startup ecosystem in these States.
 - xxii. **The Startup India Investor Connect Portal** has been co-developed under the Startup India Initiative with SIDBI, serving as an intermediary platform that links startups and investors in order to help entrepreneurs from various industries, functions, stages, regions, and backgrounds in mobilizing capital. The portal has been built with the aim to enable in particular; early-stage startups located anywhere in the country to showcase themselves to leading investors/ venture capital funds.
 - xxiii. **National Mentorship Portal (MAARG):** In order to facilitate accessibility to mentorship for startups in every part of the country, the Mentorship, Advisory, Assistance, Resilience, and Growth (MAARG) program has been developed and launched under the Startup India Initiative.
