

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA
UNSTARRED QUESTION NO. - 161
ANSWERED ON 25/11/2024

PROMOTION OF ENTREPRENEURSHIP

161 Shri S JAGATHRATCHAKAN:

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

- (a) whether the Government subscribes to the view that it can promote entrepreneurship by creating a culture that values and supports it, if so, the details thereof; and
- (b) the details of the initiatives that are proposed to be taken by the Government keeping in mind that this can be done through public awareness campaigns and by recognizing and celebrating the contributions of entrepreneurs?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI JAYANT CHAUDHARY)

(a) & (b) The Government of India subscribes to the view that it can promote entrepreneurship by creating a culture that values and supports it. The Government has launched various initiatives to foster an entrepreneurial culture by promoting entrepreneurship education, providing targeted training, advocating for inclusivity, and facilitating seamless access to entrepreneurial networks.

The Ministry of Skill Development and Entrepreneurship (MSDE) has been working for promoting entrepreneurship development across all sections of the society, across the country through its Autonomous Institutes, namely, National Institute for Entrepreneurship and Small Business Development (NIESBUD) and Indian Institute of Entrepreneurship (IIE). MSDE has taken up various initiatives in fostering and promoting an entrepreneurial ecosystem through interventions to build entrepreneurial mindset, capabilities.

As per the National Skill Development and Entrepreneurship Policy 2015, the entrepreneurship policy framework has been developed to create an enabling ecosystem of culture, finance, expertise, infrastructure, skills and business friendly regulations. The Government is creating public awareness through Entrepreneurship Awareness Programme (EAP), Entrepreneurship Development Programme (EDP) and Entrepreneurship Skill Development Programme (ESDP). These programmes have enhanced the entrepreneurial skills of participants through interventions such as Digital Marketing, Financial/Credit and Market Linkages and Industry connect.

Further, to celebrate the achievements and contributions of entrepreneurs, the success stories of entrepreneurs are documented and published in various in-house publications and also given wide publicity through social media, print media and various digital platforms. Social Media initiatives such as "PM-Udyami talks" on Youtube hosted by NIESBUD, MSDE are being utilized for showcasing and celebrating the achievements of entrepreneurs.

The details of the initiatives taken by MSDE to promote culture of entrepreneurship are at **Annexure-I**. Further, in addition to these initiatives, various Ministries/Departments of Government of India have taken several initiatives to promote entrepreneurship in the country. The details of some of the key initiatives are at **Annexure-II**.

**ANNEXURE REFERRED TO LOK SABHA UNSTARRED QUESTION NO. 161 REGARDING
“PROMOTION OF ENTREPRENEURSHIP” TO BE ANSWERED ON 25.11.2024**

Details of the initiatives taken up by the Ministry of Skill Development and Entrepreneurship (MSDE) for promoting a culture of entrepreneurship

1. Rashtriya Udyamita Vikas Pariyojana on Pilot Basis for PM Svanidhi Beneficiaries - MSDE has collaborated with Ministry of Housing and Urban Affairs (MoHUA) to train PM-SVANidhi beneficiaries through pilot project- Rastriya Udyamita Vikas Pariyojana. The project is being implemented by NIESBUD and IIE and includes one week of classroom program and 21 weeks of mentoring and hand-holding support. The project which had commenced from February 2024, has an outlay to train 2050 beneficiaries of PM SVANidhi, with more than 40% participation from women. The project is being funded as a Special Project under Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

2. Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM-JANMAN) - MSDE through its autonomous institute - NIESBUD and IIE is implementing the skilling and entrepreneurship component of Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyaan (PM-JANMAN) – a scheme of Ministry of Tribal Affairs for upliftment of Particularly Vulnerable Tribal Groups (PVTGs). The project is being implemented with support of Tribal Cooperative Marketing Development Federation of India (TRIFED) in 18 States across the country under which a total of 500 VDVK is to be set up by TRIFED.

3. Capacity Building Programme for Fair Price Shop Owners - MSDE, in collaboration with Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, has undertaken a project of Capacity Building Programme for Fair Price Shop (FPS) Owners. The programme will cover 3000 FPS owners at PAN India level in its first phase. The programme has been designed by NIESBUD in collaboration with Department of Food and Public Distribution to enable the FPS owners to run their businesses in consonance with the contemporary practices being adopted by Retail Entrepreneurs. The programme aims to equip the participants with in-depth knowledge of various facets of entrepreneurship, financial and digital literacy, and government support ecosystem. The skilling component of the project is being funded as a Special Project under PMKVY.

4. Establish, Develop and Manage EDC and Incubation Centers (IC) in North East Region’s Educational Institutions - Under this Project, IIE shall Establish, Develop and Manage Entrepreneurship Development Centre (EDC) and Incubation Centers (IC) in North East Region’s Educational Institutions. The key features of the Project includes Establishing, developing and managing 30 EDCs and four ICs in eight states of NER, Identifying and training 600 mentors from 30 target districts, Identifying and training 3600 youth from 30 target districts, Incubating 100 business ideas in four ICs, Supporting 900 business ideas in 30 EDCs through convergence and Seed fund for top 50 incubates in four ICs.

5. Entrepreneurship based Skill Development Programme (ESDP) on Solar Entrepreneurship - NIESBUD is implementing a project for Entrepreneurship based Skill Development Programme (ESDP) on Solar Entrepreneurship supported by MSDE in collaboration with Ministry of New and Renewable Energy under PM - Surya Ghar Muft Bijli Yojana. The

programme aims to create skilled entrepreneurs capable of installing and maintaining solar PV systems.

6. Strengthening Entrepreneurial Climate through Capacity Building, Incubation Support, Mentoring and Handholding under SANKALP Scheme – MSDE through NIESBUD is implementing a project for strengthening the entrepreneurship ecosystem of different marginalized sections of the society with the support of the Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) Programme of the Ministry of Skill Development and Entrepreneurship (MSDE). The project aims at creating, fostering and promoting the spirit of entrepreneurship among the various target groups through Capacity Building, Incubation Support, Mentoring and Handholding.

7. Udyam Disha – Mentor Platform – MSDE through NIESBUD has developed a web-based mentor platform to handhold and guide aspiring and existing entrepreneurs from diverse and remote locations. This platform is used as a tool to connect Mentor and Mentee, buyers and sellers, donors and investors, etc. and will act as a repository for information on entrepreneurship, government schemes, financial institutions, investors, donors, etc.

8. National Level Content on Entrepreneurship – MSDE through NIESBUD has developed a National level content on Entrepreneurship education to be used by the Government for their different Entrepreneurship Development Programmes in order to bring in uniformity and standardization in Entrepreneurship Development Education and have measurable learning outcomes.

Some of the key initiatives taken up by Ministries/ Departments of the Government of India for promoting a culture of entrepreneurship

1. **Ministry of Micro, Small & Medium Enterprises (MSME)** - Ministry of MSME, through Khadi and Village Industries Commission (KVIC), is implementing Prime Minister's Employment Generation Programme (PMEGP) for assisting entrepreneurs in setting up of new enterprises in the non-farm sector. It aims to provide employment opportunities to traditional artisans/ rural and urban unemployed youth at their doorstep. PMEGP being a Central Sector Scheme assists General Category beneficiaries with 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, Trans-genders, 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 areas. The maximum cost of project is Rs. 50 lakhs in the manufacturing sector and Rs. 20 lakhs in the service sector. Also, own contribution of beneficiaries under Special Category including women is 05% and 10% for General Category beneficiaries. Since 2018-19, existing PMEGP/REGP/MUDRA enterprises are also supported based on past good performances with 2nd loan for upgradation and expansion. Under 2nd Loan, maximum project cost admissible for Margin Money (MM) subsidy under Manufacturing sector is Rs. 1.00 crore and for Service sector is Rs. 25 Lakhs. Eligible subsidy on 2nd loan for all categories is 15% of project cost (20% for NER & Hill States).

2. **Ministry of Rural Development (MoRD)** – The Rural Self Employment Training Institute (RSETI) scheme, is bank-led and Ministry of Rural Development (MoRD)-funded initiative aimed at promoting skill development and entrepreneurship among rural youth. Established in various districts, RSETIs offer training programs that equip individuals with the skills and knowledge needed to start and manage small businesses. Government also reimburses training expenditure of the rural youth. In addition, RSETIs also facilitate access to financial support by connecting entrepreneurs with banks for easier access to loans. This initiative helps people, especially women, in rural areas start and grow their own businesses, promoting self-reliance. MoRD aims to establish RSETIs in every uncovered district across the country to foster entrepreneurship and support skill development in rural areas.

3. **Ministry of Electronics and Information Technology (MeitY)** – Ministry of Electronics and Information Technology (MeitY) initiated a scheme titled "Technology Incubation and Development of Entrepreneurs (TIDE 2.0)" in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies. The scheme aims to provide comprehensive support to tech-startups in seven thematic areas of National concern by leveraging emerging technologies. The supported thematic areas are Healthcare, Education, Agriculture, Financial inclusion (including digital payments), Infrastructure and Transportation and Environment, and Clean Tech. The Scheme is being implemented through 51 incubators through a three tiered structure with an overarching objective to promote incubation activities at institutes of higher learning and premier R&D organizations. The scheme is envisaged to provide incubation support to approximately 2000 tech start-ups over a period of five years."

4. **Department for Promotion of Industry and Internal Trade (DPIIT) under Ministry of Commerce and Industry** - The Government with intent to build a strong ecosystem for nurturing innovation and encouraging investments launched the Startup India initiative on 16th January 2016. As per eligibility conditions prescribed under G.S.R. notification 127 (E) dated 19th

February 2019, entities are recognized as 'startups' under the Startup India initiative by the DPIIT. For attaining specific objectives, various programs are implemented by the Government under the Startup India initiative. All the steps undertaken by the Government under the initiative are inclusive and are implemented across age-groups, States/Union Territories (UTs), cities, towns, and rural areas. The recognized startups have reported to have created over 15.5 lakh direct jobs. There are recognized startups from every State and UT of the country. The details of various programs undertaken by the Government to promote startups across the country 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 3 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 around 20 countries that provides 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 was 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.

5. **Department of Financial Services** - Pradhan Mantri Mudra Yojana (PMMY) was launched on 08.04.2015 to extend collateral free credit up to Rs.10 lakh by Member Lending Institutions (MLIs), i.e., Scheduled Commercial Banks (SCBs), Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs). Any individual, who is otherwise eligible to take a loan and has a business plan for small business enterprise can avail loan under the Scheme for income generating activities in the manufacturing, trading, service sectors including activities allied to agriculture across three loan categories, viz. Shishu (loans up to Rs. 50,000/-), Kishor (loans above Rs. 50,000/- and up to Rs. 5 lakh), Tarun (loans above Rs. 5 lakh and up to Rs. 10 lakh) and Tarun Plus (loans above Rs. 10 lakh and up to Rs. 20 lakh for those entrepreneurs who have availed and successfully repaid previous loans under the "Tarun" category w.e.f 24.10.2024).

Stand-Up India (SUI) Scheme launched on 05.04.2016 has been extended up to the year 2025. The objective of the Scheme is to facilitate loans from Scheduled Commercial Banks (SCBs) of value between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one Women borrower per bank branch for setting up greenfield enterprise in manufacturing, services or trading sector including activities allied to agriculture.