

★ Recent Initiatives in Entrepreneurship Development.

★ Start up India :-

★ Meaning :- One of the objectives of the Indian Government is to make India a nation of Job creators instead of job seekers. Thus, the government wants to encourage entrepreneurship and to promote innovations. It aims at creating such an ecosystem which will be conducive for the growth of start-ups in India.

Start-up India is an initiative of the Government of India. It was launched in 2016. It aims at building an ecosystem which will ~~not~~ nurture start-ups in the country. So that, sustainable economic growth and large scale employment opportunities can be generated. Thus, the Government of India has announced Start-up India Action Plan that focuses on the following areas :-

- ① Simplification & Handholding :- Here, compliance procedures for start-ups will be made easy. Similarly, if necessary, winding up will also be allowed on fast track basis.
- ② Funding support and Incentives :- Government will participate in funding process indirectly as well as tax exemptions will be allowed in capital gain, income tax, etc.
- ③ Industry - Academia Partnership and Incubation :- Under this initiative, Government is proposing to introduce Start up Fests, to provide Pre-Incubation training, to set up incubators with the help of private sector, to launch innovation focused programs for students and so on.

## ★ Objectives of Start ups :-

- ① Rs 10000 crore startup funding pool.
- ② Reduction in patents registration fees
- ③ Improved Bankruptcy Code, to ensure a 90 days exit window.
- ④ Freedom from mystifying inspection for first 3 years of operation.
- ⑤ Freedom from capital Gain Tax for first 3 years of operation
- ⑥ Freedom from tax for first 3 years of operation.
- ⑦ Self-glorification compliance.
- ⑧ To target 5 lakh schools and involve 10 lakh children in innovation-related programmes.
- ⑨ Encourage entrepreneurship within the country.
- ⑩ Promote India across the world as a start-up hub.
- ⑪ Built Startup Oasis as Rajasthan Incubation Center.

## ★ Stand up India :-

### ★ Objectives of the Stand-up India scheme :

This enterprise may be in manufacturing services or the trading sector. In case of non-individual enterprises at least 51% of the shareholding and controlling stake should be held by either an SC/ST or woman entrepreneur.

★ Eligibility :

1] SC/ST and/or woman entrepreneurs, above 18 years of age.

2] Loans under the scheme are available for only green field project. Green field signifies, the first time venture of the beneficiary in the manufacturing or services or trading sector.

3] In case of non-individual enterprise, 51% of the shareholding and controlling stake should be held by either SC/ST and/or Women Entrepreneur.

★ Nature of Loan :-

Composite loan (inclusive of term loan and working capital) between Rs. 10 lakh and upto Rs. 1 crore lakh.

★ Purpose of Loan :-

For setting up a new enterprise in manufacturing, trading or services sector by SC/ST/Women entrepreneur.

★ Size of Loan :-

Composite loan of 75% of the project cost inclusive of term loan and working capital. However, it will not be applicable if the borrower's contribution along with convergence support from any other scheme exceeds 25% of the project cost.

#### \* Interest Rate :-

The rate of interest would be lowest applicable rate of the bank for that category. (rating category) not exceed (base rate (MCLR) + 3% + tenor premium).

#### \* Security :-

Besides primary security, the loan may be secured by collateral security or guarantee of Credit Guarantee Fund Scheme for Stand up India Loans (CGFSIL) as decided by the banks.

#### \* Repayment :-

The loan is repayable in 7 years with a maximum moratorium period of 18 months.

#### \* Working Capital :-

For withdrawal of working capital upto

10 lakh, the same may be sanctioned by way of overdraft. Repay credit limit can also be issued for convenience of the borrower. Working capital limit above 10 lakh to be sanctioned by way of cash credit limit.

### ★ Margin Money :-

The scheme envisages 25% margin money which can be provided in convergence with eligible Central / State schemes.