

GOVERNMENT OF INDIA INITIATIVES IN START UP AND STAND UP INDIA

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ABSTRACT

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses. In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation's capacity to succeed in an ever-changing and more competitive global marketplace. The spirit of entrepreneurship is boosted by various initiatives of government of India such as startup India, stand up India and several others.

KEYWORD – Entrepreneurship, innovation, start ups, employment, skill enhancement

START UP INDIA SCHEME

Startup India is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower Startups to grow through innovation and design.

Overview of Startup India Action plan

In order to meet the objectives of the initiative, Government of India Action Plan that addresses all aspects of the Startup ecosystem has been announced. With this Action Plan the Government hopes to accelerate spreading of the Startup movement:

- From digital/ technology sector to a wide array of sectors including agriculture, manufacturing, social sector, healthcare, education, etc.; and
- From existing tier 1 cities to tier 2 and tier 3 cities including semi-urban and rural areas.

The Action Plan is divided across the following areas:

- Simplification and Handholding
- Funding Support and Incentives
- Industry-Academia Partnership and Incubation

Highlights of the action plan

Simplification and Handholding

- ***Compliance Regime based on Self-Certification*** - Startups shall be allowed to self-certify compliance (through the Startup mobile app) with 9 labour and environment laws. In case of the labour laws, no inspections will be conducted for a period of 3 years. Startups may be inspected on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer. In case of environment laws, Startups which fall under the 'white category' (as defined by the Central Pollution Control Board (CPCB)) would be able to self-certify compliance and only random checks would be carried out in such cases.
- ***Startup India Hub*** - To create a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding.
- ***Rolling-out of Mobile App and Portal*** - To serve as the single

platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders

- ***Legal Support and Fast-tracking Patent Examination at Lower Costs*** - Under this scheme, the Central Government shall bear the entire fees of the facilitators for any number of patents, trademarks or designs that a Startup may file, and the Startups shall bear the cost of only the statutory fees payable. Rebate on filing of application: Startups shall be provided an 80% rebate in filing of patents vis-a-vis other companies. The scheme is being launched initially on a pilot basis for 1 year; based on the experience gained, further steps shall be taken.
- ***Relaxed Norms of Public Procurement for Startups*** - In order to promote Startups, Government shall exempt Startups (in the manufacturing sector) from the criteria of “prior experience/turnover” without any relaxation in quality standards or technical parameters. The Startups will also have to demonstrate requisite capability to execute the project as per the requirements and should have their own manufacturing facility in India.
- ***Faster Exit for Startups*** - Startups may be wound up within a period of 90 days from making of an application for winding up on a fast track basis, as per the recently tabled Insolvency and Bankruptcy Bill 2015, which has provisions for voluntary closure of businesses. This process will respect the concept of limited liability.

Performances so far of Start up India

- Indian Startups are now spread across the length and breadth of the entire country.
- The shift in global focus is on promoting women entrepreneurs and fostering an inclusive and innovative environment. Efforts are also being made by diverse stakeholders in the Indian startup ecosystem to elevate domestic policies in concurrence with global trends.
- The role of the state government becomes very important in

developing the necessary infrastructure and support to foster the startup ecosystem. Due to the given constraints of infrastructure and supporting services, India needs to build upon low-cost and high-impact solutions.

- Although there has been an increase in angel and venture capital funding, the amount invested must be augmented. It is crucial that the ecosystem is well integrated to connect startups to fund houses and other stakeholders.
- While it is important to elucidate overarching features of the ecosystem, this report delves deeper into the role of states and India's federal structure in both building the ecosystem as well as closely monitoring futuristic measures that can aid India's growth story.

STAND UP INDIA SCHEME

- It was launched in April 2016 **to promote entrepreneurship at the grass-root level** focusing on economic empowerment and job creation.

Aim:

- To leverage the institutional credit structure to **reach out to the underserved sector of people such as SCs, STs and Women Entrepreneurs.**

Facilitates Bank Loans:

- The objective of this scheme is **to facilitate bank loans between Rs.10 lakh and Rs.1 crore to at least one SC or ST borrower and at least one woman borrower per bank branch of Scheduled Commercial Banks for setting up a Greenfield enterprise.**
- This enterprise may be in manufacturing, services or the trading sector.

Eligibility:

- SC/ST and/or women entrepreneurs; above 18 years of age.
- Loans under the scheme are available **for only Greenfield projects.**

A greenfield project is one which is not constrained by prior work. It is constructed on unused land where there is no need to remodel or demolish an existing structure.

- Borrower **should not be in default** to any bank or financial institution.
- 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**.
- It was launched in April 2016 **to promote entrepreneurship at the grass-root level** focusing on economic empowerment and job creation.

New Changes:

- The **margin money requirement** for loans under the Scheme **has been reduced from 'upto 25%' to 'upto 15%'** and **activities allied to agriculture** have been included in the Scheme.

Connect Centers:

- The offices of SIDBI (Small Industries Development Bank of India) and [NABARD \(National Bank for Agriculture and Rural Development\)](#) are designated **Stand-Up Connect Centres (SUCC)**.

Performance so far:

- Banks have sanctioned Rs 26,204 crore to about **1,16,266 beneficiaries** under the Scheme in the **last five years**.
- The scheme has **benefited more than 93,094 women entrepreneurs**.

CONCLUSION

To be successful in sustainable business practices often requires entrepreneurship and innovation. Entrepreneurship and innovation are relevant in for-profit and nonprofit ventures. Entrepreneurship can be viewed as recognizing change, pursuing opportunity, taking on risk and responsibility, innovating, making better use of resources, creating new value that is meaningful to customers, and doing it all over again and again.

Being an entrepreneur requires taking on significant responsibility and comes with significant challenges and potential rewards. Entrepreneurship is a mind-set, an attitude; it is taking a particular approach to doing things.

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