

Government of India Support for Innovation and Entrepreneurship in India

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society.

Recognising the importance of women entrepreneurship and economic participation in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women. The government seeks to bring women to the forefront of India's entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

A few of India's efforts at promoting entrepreneurship and innovation are:

Pradhan Mantri Mudra Yojana

Micro Units Development & Refinance Agency Ltd. (MUDRA) is a new institution set up by Government of India to provide funding to the non-corporate, non-farm sector income generating activities of micro and small enterprises whose credit needs are below ₹10 Lakh.

ELIGIBILITY

Any individual including women, proprietary concern, partnership firm, private limited company or any other entity are eligible applicant under PMMY loans.

PURPOSE

For setting up of new/upgrading existing Micro business enterprises in the manufacturing, processing, trading and service sector and carrying out activities allied to agriculture, financing to weavers and artisans (income generating activity).

Under the aegis of Pradhan Mantri MUDRA Yojana (PMMY), MUDRA has created three products i.e. 'Shishu', 'Kishore' and 'Tarun' as per the stage of growth and funding needs of the beneficiary micro unit. These schemes cover loan amounts as below:

Shishu: covering loans up to ₹50,000

Kishore: covering loans above ₹50,000 and up to ₹5,00,000

Tarun: covering loans above ₹5,00,000 and up to ₹10,00,000



All Non-Corporate Small Business Segment (NCSBS) comprising of proprietorship or partnership firms running as small manufacturing units, service sector units, shopkeepers, fruits/vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, food processors and others in rural and urban areas, are eligible for assistance under Mudra.

Bank branches would facilitate loans under Mudra scheme as per customer requirements. Loans under this scheme are collateral free loans.

Mudra Loans could be availed for the following

Vehicle loan: Commercial vehicle loan, Car loan and Two-wheeler loan

Business Installment Loan (BIL): Loan for working capital requirement, buying plant and machinery, renovating offices etc.

Business Loans Group Loans (BLG) and Rural Business Credit (RBC): We offer Drop line overdraft/Overdraft facility/Working capital loans

Documents Required for Pradhan Mantri Mudra Yojana:

- Mudra application form
- 2 passport size colour photographs
- Photo Identity proof
- Address proof
- Income proof
- Bank statement (last 6 months)

Startup India: Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. Since its launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs. With a 360 degree approach to enable startups, the initiative provides a comprehensive four-week free online learning program, has set up research parks, incubators and startup centres across the country by creating a strong network of academia and industry bodies. More importantly, a 'Fund of Funds' has been created to help startups gain access to funding. At the core of the initiative is the effort to build an ecosystem in which startups can innovate and excel without any barriers, through such mechanisms as online recognition of startups, Startup India Learning Programme, Facilitated Patent filing, Easy Compliance Norms, Relaxed Procurement Norms, incubator support, innovation focused programmes for students, funding support, tax benefits and addressing of regulatory issues.

Make in India: Designed to transform India into a global design and manufacturing hub, the Make in India initiative was launched in September 2014. It came as a powerful call to India's citizens and business leaders, and an invitation to potential partners and investors around the world to overhaul out-dated processes

and policies, and centralize information about opportunities in India's manufacturing sector. This has led to renewed confidence in India's capabilities among potential partners abroad, business community within the country and citizens at large. The plan behind Make in India was one of the largest undertaken in recent history. Among several other measures, the initiative has ensured the replacement of obsolete and obstructive frameworks with transparent and user-friendly systems. This has in turn helped procure investments, foster innovation, develop skills, protect intellectual property and build best-in-class manufacturing infrastructure.

Atal Innovation Mission (AIM): AIM is the Government of India's endeavour to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world-class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities, particularly in technology driven areas. In order to foster curiosity, creativity and imagination right at the school, AIM recently launched Atal Tinkering Labs (ATL) across India. ATLs are workspaces where students can work with tools and equipment to gain hands-on training in the concepts of STEM (Science, Technology, Engineering and Math). Atal Incubation Centres (AICs) are another programme of AIM created to build innovative start-up businesses as scalable and sustainable enterprises. AICs provide world class incubation facilities with appropriate physical infrastructure in terms of capital equipment and operating facilities. These incubation centres, with a presence across India, provide access to sectoral experts, business planning support, seed capital, industry partners and trainings to encourage innovative start-ups.

Support to Training and Employment Programme for Women (STEP):

STEP was launched by the Government of India's Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30-year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme imparts skills in several sectors such as agriculture,

horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

Jan Dhan- Aadhaar- Mobile (JAM): JAM, for the first time, is a technological intervention that enables direct transfer of subsidies to intended beneficiaries and, therefore, eliminates all intermediaries and leakages in the system, which has a potential impact on the lives of millions of Indian citizens. Besides serving as a vital check on corruption, JAM provides for accounts to all underserved regions, in order to make banking services accessible down to the last mile.

Digital India: The Digital India initiative was launched to modernize the Indian economy to make all government services available electronically. The initiative aims to transform India into a digitally-empowered society and knowledge economy with universal access to goods and services. Given historically poor internet penetration, this initiative aims to make available high-speed internet down to the grassroots. This program aims to improve citizen participation in the digital and financial space, make India's cyberspace safer and more secure, and improve ease of doing business. Digital India hopes to achieve equity and efficiency in a country with immense diversity by making digital resources and services available in all Indian languages.

Biotechnology Industry Research Assistance Council (BIRAC): BIRAC is a not-for-profit Public-Sector Enterprise, set up by Department of Biotechnology to strengthen and empower emerging biotechnology enterprises. It aims to embed strategic research and innovation in all biotech enterprises, and bridge the existing gaps between industry and academia. The ultimate goal is to develop high-quality, yet affordable, products with the use of cutting edge technologies. BIRAC has initiated partnerships with several national and global partners for building capacities of the Indian biotech industry, particularly start-ups and SME's, and has facilitated several rapid developments in medical technology.

Department of Science and Technology (DST): The DST comprises several arms that work across the spectrum on all major projects that require scientific and technological intervention. The Technology Interventions for Disabled and Elderly, for instance, provides technological solutions to address challenges and improve quality of life of the elderly in India through the application of science and technology. On the other hand, the ASEAN-India Science, Technology and Innovation Cooperation works to narrow the development gap and enhance connectivity between the ASEAN countries. It encourages cooperation in science, technology and innovation through joint research across sectors and provides fellowships to scientists and researchers from ASEAN member states with Indian R&D/ academic institutions to upgrade their research skills and expertise.


Stand-Up India: Launched in 2015, Stand-Up India seeks to leverage institutional credit for the benefit of India's underprivileged. It aims to enable economic participation of, and share the benefits of India's growth, among women entrepreneurs, Scheduled Castes and Scheduled Tribes. Towards this end, at least one woman and one individual from the SC or ST communities are granted loans between Rs.1 million to Rs.10 million to set up greenfield enterprises in manufacturing, services or the trading sector. The Stand-Up India portal also acts as a digital platform for small entrepreneurs and provides information on financing and credit guarantee.

Trade related Entrepreneurship Assistance and Development (TREAD): To address the critical issues of access to credit among India's underprivileged women, the TREAD programme enables credit availability to interested women through non-governmental organizations (NGOs). As such, women can receive support of registered NGOs in both accessing loan facilities, and receiving counselling and training opportunities to kick-start proposed enterprises, in order to provide pathways for women to take up non-farm activities.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY): A flagship initiative of the Ministry of Skill Development & Entrepreneurship (MSDE), this is a Skill Certification

initiative that aims to train youth in industry-relevant skills to enhance opportunities for livelihood creation and employability. Individuals with prior learning experience or skills are also assessed and certified as a Recognition of Prior Learning. Training and Assessment fees are entirely borne by the Government under this program.

National Skill Development Mission: Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a 'Skilled India' it is designed to expedite decision-making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the mission's skilling efforts across India are: (i) Institutional Training (ii) Infrastructure (iii) Convergence (iv) Trainers (v) Overseas Employment (vi) Sustainable Livelihoods (vii) Leveraging Public Infrastructure. [Click here to download the framework for implementation.](#)



Science for Equity Empowerment and Development (SEED): SEED aims to provide opportunities to motivated scientists and field level workers to undertake action-oriented, location specific projects for socioeconomic gain, particularly in rural areas. Efforts have been made to associate national labs and other specialist S&T institutions with innovations at the grassroots to enable access to inputs from experts, quality infrastructure. SEED emphasizes equity in development, so that the benefits of technological accrue to a vast section of the population, particularly the disadvantaged.

Schemes for rural entrepreneurs that can be of great help:

Rural India poses a huge entrepreneurial potential, which is still remain unexplored. Lack of awareness about government policies and schemes is a major hurdle in the growth of rural entrepreneurs. Here are some schemes that can be of great help to rural businessmen.

1. Prime Minister Employment Generation Programme

Description: The scheme provides subsidy for entrepreneurs. It has been implemented by Khadi and Village Industries Commission (KVIC) through identified banks, only for new projects.

Nature of assistance: Subsidy varies from 15% to 35%, with 5% to 10% beneficiaries' contribution, and the balance through banks as term loan and working capital loan

Who can apply: Aspiring entrepreneurs, Self Help Groups (SHGs), etc.

From where to apply: KVIC

2. Janashree Bima Yojana For Khadi Artisans

Description: It is a group insurance for khadi artisans formulated by KVIC with LIC

Nature of assistance: Insurance cover to khadi artisans for medical death due to accident and loss of both eyes and both limbs, plus a scholarship up to 12th standard for two children

Who can apply: Khadi spinners and weavers aged between 18 years and 59 years, and below and marginally above poverty line

From where to apply: KVIC

3. Market Development Assistance

Description: Under this scheme, financial assistance are provided for khadi institutions to improve outlets and production processes besides giving incentive to customers

Nature of assistance: 20% of production cost for khadi cotton, woolen silk and poly vastra against the approved production target

Who can apply: Khadi institutions of A+, A, B and C categories

From where to apply: KVIC

4. Rejuvenation, Modernisation and Technology Upgradation of Coir Industry (REMOT)

Description: The credit linked subsidy for setting up of coir units with project cost plus one cycle of working capital (up to 25% of the project cost and not to be considered for subsidy)

Nature of assistance: 55% bank loan, 40% margin money (subsidy) as government grant, 5% beneficiary contribution

Who can apply: Individuals,  **IBCHAM**
Dedicated to the growth of industry

From where to apply: Coir Board field offices through District Industries Centre (DIC)

5. Centrally Sponsored Schemes (CSS) of Export Market Promotion

Description: The CSS is provided for the overall development of coir industry; to support modernisation of export-oriented units to popularise coir products in global markets, and to participate in international fairs, seminars, etc.

Nature of assistance: Up to Rs 2 lakh for participating in fairs and 25% of production cost with a ceiling of Rs 15,000 for publicity material

Who can apply: Any coir MSME, any coir exporter MSME with Free-on-Board (FoB) turnover below Rs 2 crore and registered with Coir Board

From where to apply: Coir Board field offices through DICs

6. Skill Upgradation & Quality Improvement And 19 Mahila Coir Yojana

Description: Skill training to develop coir industry, and the provision of spinning equipment to women to empower them

Nature of assistance: Two months of training with Rs 750 per month stipend, one-time subsidy of 75%, cost of motorised traditional rates, with a ceiling

Who can apply: Any coir MSME, any coir exporter MSME with FoB turnover below Rs 2 crore and registered with Coir Board

From where to apply: Regional Extension Centre

7. Development of Production Infrastructure

Description: Provides modern infrastructure for production units leading to improved productivity, quality and employment opportunities

Nature of assistance: 25% cost of equipment with a maximum ceiling of Rs 9 lakh and up to Rs 2 lakh for modernisation/renovation

Who can apply: New coir processing units registered with Coir Board

From where to apply: DIC

8. Welfare Measures Scheme (Coir Workers)

Description: Accident insurance providing financial compensation for disabled/nominee

Nature of assistance: Accident death: Rs 50,000; Permanent total disability: Rs 50,000; Permanent partial disability: Rs 25 000; Provision for finger cut: as applicable

Who can apply: Coir workers aged above 18 years

From where to apply: Coir Board offices

9. Programme for Promotion of Village Industry Cluster - Rural Industry Service Centre (RISC) for Khadi And Village Industry

Description: To provide infrastructure support and services for local units to upgrade production capacity and skills, and market promotion

Dedicated to the growth of industry

Nature of assistance: Maximum of Rs 25 lakh with 25% self-contribution, in three equal instalments

Who can apply: Farmers, entrepreneurs, NGOs, SHGs, etc.

From where to apply: KVIC website

(Sources: entrepreneur.com and GES2017)