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## **B.COM- ENTREPRENEURIAL DEVELOPMENT (20UCO6CC15)**

### **SIDCO**

SIDCO promotes small-scale industry development through the following promotional activities. As part of its major activities, SIDCO creates infrastructure facilities including roads, drainage, storm water drains, electricity, and water supply systems. So basically when small industries register under SIDCO they get to avail such incentives from the government. Every state has the same procedure for applying online. Though the time taken for application processing may vary, other than that, everything is expected to be the same.

### **MAIN SCHEMES OF SIDCO**

- Establishment of its own industrial estates
- Promoting the development of private industrial estates.
- Developing Common Facility Centers as part of the cluster development programme.
- Assisting MSMEs with technical and managerial advice.
- Providing raw material and marketing support.

### **SIDCO OBJECTIVES AND FUNCTIONS**

#### **Objectives:**

- SIDCO aims to achieve the following objectives
- SIDCO's primary objective is to promote the growth of small-scale industries
- Infrastructure facilities such as roads, drainage, electricity, and water supply are one of the preliminary objectives of SIDCO.
- Promoting industrial estates with sheds of various sizes and all necessary infrastructure facilities.
- Providing training facilities to entrepreneurs for technical assistance.
- Establishing industrial training institutes in order to promote skilled labor.

#### **Functions:**

- SIDCO offers marketing assistance
- It provides scarce raw materials

- SIDCO initiates captive power plants
- It offers export marketing assistance
- Actively encourage women entrepreneurs
- SIDCO nurtures skill development centers
- SIDCO aids in bill discounting

### Entrepreneurship Development Institute of India (EDII)

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• It was founded in 1983 with the sponsorship of the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI) and State Bank of India (SBI).

### EDII

• EDI runs a range of educational programs in the field of entrepreneurship including a 2 year Post Graduate Diploma in Management (PGDM) program for first generation entrepreneurs, family business inheritors, agri-business, and non-governmental organization management.

### Functions of EDII

- Creating a multiplier effect on opportunities for self-employment,
- Augmenting the supply of competent entrepreneurs through training,
- Augmenting the supply of entrepreneur trainer-motivators,
- Participating in institution building efforts,
- Inculcating the spirit of 'Entrepreneurship' in youth,
- Promoting micro enterprises at rural level,

### Functions of EDII

- ❖ Developing new knowledge and insights in entrepreneurial theory and practice through research,
- ❖ Facilitating corporate excellence through creating intrapreneurs,
- ❖ Improving managerial capabilities of small scale industries,
- ❖ Sensitizing the support system to facilitate entrepreneurs establish and manage their enterprises,
- ❖ Collaborating with organizations to accomplish the above objectives
- ❖ provides developed plots of various sizes to Small & Medium Enterprises and Micro Enterprises for the establishment of industrial units in different locations throughout the State.

## MSME

In India, MSMEs contribute nearly 8% of the country's GDP, around 45% of the manufacturing output, and approximately 40% of the country's exports. It won't be wrong to refer them as the 'Backbone of the country.'

The Government of India has introduced **MSME or Micro, Small, and Medium Enterprises** in agreement with Micro, Small and Medium Enterprises Development

(MSMED) Act of 2006. These enterprises primarily engaged in the production, manufacturing, processing, or preservation of goods and commodities.

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works hand-in-hand towards the development of the nation's backward and rural areas. According to the annual report by the Government (2018-19), there are around 6,08,41,245 MSMEs in India.

### **Highlights of new MSMEs:**

'Atma Nirbhar Bharat Abhiyan' or the Self-Reliant India Scheme of 2020 by the Government of India has given a new definition for MSMEs.

### **Following are a few highlighting features of new MSMEs –**

1. A provision of Collateral Free Loans to MSMEs
2. An arrangement of loans to MSMEs worth of Rs. 3 lac crores
3. An offer for MSMEs to get a Moratorium period of 12 months
4. Consideration of Manufacturing and Service MSMEs as the same entities
5. MSM is a granted a repayment Tenure of 48 months
6. MSMEs are assured a 100% Credit Guarantee
7. Reclassification of MSMEs will benefit approximately 45 Lac units.

### **Features of MSMEs:**

#### **Following are some of the essential elements of MSMEs –**

1. MSMEs work for the welfare of the workers and artisans. They help them by giving employment and by providing loans and other services.
2. MSMEs provide credit limit or funding support to banks.
3. They promote the development of entrepreneurship as well as up-gradation of skills by launching specialized training centers for the same.
4. They support the up-grading of developmental technology, infrastructure development, and the modernization of the sector as a whole
5. MSMEs are known to provide reasonable assistance for improved access to the domestic as well as export markets.

6. They also offer modern testing facilities and quality certification services.
7. Following the recent trends, MSMEs now support product development, design innovation, intervention, and packaging.

### **Role of MSMEs in Indian Economy**

Since its formation, the MSME segment has proven to be a highly dynamic Indian economy sector. MSMEs produce and manufacture a variety of products for both domestic as well as international markets. They have helped promote the growth and development of khadi, village, and coir industries. They have collaborated and worked with the concerned ministries, state governments, and stakeholders towards the upbringing of rural areas.

MSMEs have played an essential role in providing employment opportunities in rural areas. They have helped in the industrialization of these areas with a low capital cost compared to the large industries. Acting as a complementary unit to large sectors, the MSME sector has enormously contributed to its socio-economic development.

MSMEs also contribute and play an essential role in the country's development in different areas like the requirement of low investment, flexibility in operations, mobility through the locations, low rate of imports, and a high contribution to domestic production.

With the capability and capacity to develop appropriate local technology, provide fierce competition in domestic and international markets, technology-savvy industries, a contribution towards creating defense materials, and generating new entrepreneurs by providing knowledge, training, and skill up-gradation through specialized training centers.

The below-mentioned data, represented in a tabular format, is by the Central Statistics Office (CSO) and Ministry of Statistics & Program Implementation.

### **Startup India**

The Startup India initiative was launched on 16th January 2016, by the Honourable Prime Minister. The Prime Minister unveiled an Action Plan consisting of 19 Action Points that act as a guiding document for the startup initiative. Since the inception of the initiative:

- The Government has recognised over 77,000 startups
- These startups are spread over 656 districts from 30 States and 7 Union Territories of India
- As of 07th September 2022, India is home to 107 unicorns with a total valuation of \$ 340.79 Bn. Out of the total number of unicorns, 44 unicorns with a total valuation of \$ 93.00 Bn were born in 2021 and 21 unicorns with a total valuation of \$ 26.99 Bn were born in 2022.
- A ₹10,000 Cr 'fund of funds' is being managed for growing the domestic venture capital industry
- A ₹1,000 Cr Startup India seed fund has been launched in 2021 to aid setting up and growth of new startups

- Creation of 5.2 lakh jobs across the country, with 45% of them having a base in Tier 2 - Tier 3 cities
- India is the largest in number of startups being added every hour (4 startups/per hour), 3rd largest in number of startups and the 3rd largest unicorn community
- 32 Regulations simplified for startups – including Angel Tax
- Over 220 Income Tax Exemptions
- Over 250 SIDBI Fund of Funds

### **PRADHAN MANTRI MUDRA YOJANA**

#### **(GOVT. OF INDIA)**

Micro Units Development and Refinance Agency Ltd. [MUDRA] is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to Banks / MFIs for lending to micro units having loan requirement upto 10 lakh. MUDRA provides refinance to micro business under the Scheme of Pradhan Mantri MUDRA Yojana. The other products are for development support to the sector. The bouquet of offerings of MUDRA is depicted below. The offerings are being targeted across the spectrum of beneficiary segments.

#### **Eligibility Criteria**

Download Eligibility Criteria for availing MUDRA refinance/ loan.

To signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation / growth to look forward to, MUDRA offers incentives through these interventions:

- > Shishu : covering loans upto 50,000/-
- > Kishor : covering loans above 50,000/- and upto 5 lakh
- > Tarun : covering loans above 5 lakh and upto 10 lakh

Generally, loans upto 10 lakh issued by banks under Micro Small Enterprises is given without collaterals.

Mudra loan is extended for a variety of purposes which provide income generation and employment creation. The loans are extended mainly for

:

- Business loan for Vendors, Traders, Shopkeepers and other Service Sector activities

- Working capital loan through MUDRA Cards
- Equipment Finance for Micro Units
- Transport Vehicle loans

### **New Entrepreneur cum Enterprise Development Scheme (NEEDS):**

The NEEDS Scheme is promoted by the Directorate of Industries and Commerce, Government of Tamil Nadu for providing opportunities for young/new educated entrepreneur with subsidy and support for starting a new venture.

The NEEDS Scheme mainly target educated youth with any degree, diploma, ITI/vocational training from recognized institutions. TIIC, the ideal destination for business loans in Tamil Nadu, also acts as the nodal agency for Government subsidies for customers availing loan for business.

#### **Objective:**

Assisting educated youth to become first generation entrepreneurs.

#### **Eligibility**

- ✓ New Micro and Small enterprises in manufacturing and service sectors
- ✓ Educated youth with any degree, diploma, ITI/vocational training from a recognized institution and in the age group of 21-35 years under General category and 21-45 years under special category (women/SC/ST/BC/MBC/minorities/ex-serviceman/transgender/differently abled persons)
- ✓ The applicant should be a resident of Tamil Nadu state for not less than 3 years
- ✓ Partnership firms: Subject to satisfying the eligibility criteria by all the partners, partnership concerns may be considered for assistance under the scheme. However, EDP training will be provided to only one of the partners authorized by other partners in such cases
- ✓ Entrepreneur who availed assistance under PMRY/PMEGP/REGP/UYEGP/TAHDCO, SHG or any other scheme of Government of India or state Government will not be eligible for assistance.

#### **Benefits**

- ❖ Minimum project cost is Rs. 10 lakh.
- ❖ Maximum project cost is Rs. 500 lakh.
- ❖ For projects costing more than Rs. 1.20 crore, subsidy component will be restricted to Rs. 30 lakh.

- ❖ Cost of land may be included in the project cost at guideline value or market value whichever is lower.
- ❖ Cost of construction of building such as office, work shed, laboratory etc. can be included in project cost subject to the condition that the cost of building shall not exceed 25% of project cost. In respect of service enterprises, investment in capital expenditure should not be less than 25% of the total project cost.
- ❖ In respect of plant and machinery, only new machinery and second hand machinery directly imported by the entrepreneur would be eligible.
- ❖ The cost of leased/rental building shall not be included in the project cost.

**Training:**

The Entrepreneurship Development Institute (EDI), Guindy, Chennai will give training to the identified beneficiaries.

**Promoter's Contribution:**

- 10% for general category entrepreneurs.
- 5% for special category entrepreneurs.

**Eligible Subsidy:**

The quantum of subsidy will be 25% of project cost subject to a ceiling of Rs. 30 lakh.

**Repayment Period:**

Up to 9 years including holiday period of 2 years

**Collateral Security:**

50% on the proposed loan amount