

Legal Provisions Dealing with Entrepreneurship in India

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ABSTRACT

In Indian economy the business history was the output of many efforts made by the different sects of the people and today the economy has gained Worldwide recognition. This was made possible by various efforts of independent entrepreneurs and government by way of providing assistance and facilities through practice of initiating programmes, schemes and also legislative provisions. In this research paper, main focus is put on such legal provisions that facilitate the setting up of an enterprise and then for their working and also the role of government in promoting such practice and implementing certain other steps from time to time. The concept of Entrepreneurship is based on various characteristics such as vision, ability, skill, innovative ideas which makes one able and capacitated to start a business entity. This paper imputes to the laws and other legal methodologies that helps in the establishment of entrepreneurship in India.

1. Introduction

Business entities constitutes a vital segment of society and through process of production, manufacturing and distribution the finished goods and services are provided to the end user. And the role of businessmen, gained importance in Indian society. In simple terms business is something when one or more persons engage themselves in the process of production or collection of goods or services with the objective of transferring them or exchanging them for certain value amount.¹

The business activities when is set up by any person independently as way of one's own is known as Entrepreneurship. This practice is counted under entrepreneurship when person is focused on innovation, risk taking, self-sufficiency, opportunity recognition, having ability to exploit opportunities and holds strong locus of control. And their main aim is to earn profits.² For a person to work as an entrepreneur, there requires various skills like self-motivation skills, time management skills, administrative skills, financial know how skills, sales and marketing skills. So, entrepreneurship is a dynamic process that is prominently for creation of wealth.

The term Entrepreneurship is derived from the French word 'entreprendre' meaning 'to undertake'.³

The roots of the word 'Entrepreneur' can be traced back to 16th century. At that time, it was used to define with word 'adventure' in European Countries. The leaders of risky military

expeditions capable of organising and heading enterprise were called entrepreneurs.⁴

Therefore, entrepreneurship is a process of innovating new products or services and streamlines the resources to commercialize the products of services. Entrepreneurship has been considered as the propensity of mind to take calculated risk with confidence to achieve predetermined business objectives.⁵

For setting up of business entity there requires proper choice of type of organisation or nature of business in which an entrepreneur is required to deal in depending upon various other factors such as:⁶

- Nature of Business – there is manufacturing or production or packaging business, trading business, service business. These are also defined as business of Industry and Commerce.
- Scale of Operation – there can be small, medium and large-scale business entities depending upon one's ability to make investment.
- Ownership Rights and Responsibilities – that is governed through process of control and decision-making opportunities, how much degree of risk one can sustain and up to what extend one can be made liable.
- Impact of taxation as to how taxes are to be paid. And through this, whatever activity he chooses, he will be confronted with numerous problems, and his ultimate success will depend upon his ability and foresight to handle them and then the handling of recurring problems during the course of such business.⁷

¹ PK Ghosh, GK Kapoor, *Business and Society A study of Business-Environment Interface*, 01-02, Sultan Chand and Sons, New Delhi, (1985)

²Concept of Entrepreneurship in India, available at: http://www.indianmba.com/Faculty_Column/FC791/fc791.html (last visited: October 10, 2018)

³S Anil Kumar, *Entrepreneurship Development*, 01, New Age International, (2008)

⁴Valentina Chernovskaya, *Indian Entrepreneurship Its Past and Present*, 15, Shipra Publications, Delhi, (2005)

⁵NavaleAshoke B, "Developing Entrepreneurial Skill for Corporate World" Research Direction, Volume 1, Issue 4 (2013)

⁶JP Sharma, SunainaKanojia, *Business Laws*, 83-84, Bharat Law House Pvt. Ltd., New Delhi, (2019)

⁷*Ibid*, pg. 79

2. Definitions

ENTREPRENEUR

Schumpeter says "The entrepreneur in an advanced economy is an individual who introduce something new in the economy- a method of production not yet tested by experience in the branch of manufacturing, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like".⁸

E.E. Haggens says "An entrepreneur is an economic man who tries to maximize his profits by innovations. Innovations involve problem-solving and entrepreneur gets satisfaction from using his capabilities in attacking problems".⁹

Hisrich said "Entrepreneur is someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure".¹⁰

Vasant Desai said "An entrepreneur is described as a capitalist employer seeking profit; a risk taker, a monopolist, a coordinator, an innovator and an organizer of means of production. A person of all these attributes in operation may be termed as entrepreneur".¹¹

Therefore, an entrepreneur is a person who is able to look at the environment, identify opportunities to improve the environmental resources and implement action to maximize those opportunities. It is important to bear in mind the entrepreneurial skills that will be needed to improve the quality of life for individuals, families and communities and to sustain a healthy economy and environment.¹²

ENTREPRENEURSHIP

A.H. Cole, "Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods or services".¹³

Peter Drucker, "Entrepreneurship centres on innovation. Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation, and they need to know and to apply the principles of successful innovation".¹⁴

Koontz & Fulmer, "Entrepreneurship is the ability of a person to see a business opportunity, to get together the capital needed to take advantage of the opportunity, and to

start a business, taking the risk of failure in the hope of reaping the rewards of success".¹⁵

Ekanem, "Entrepreneurship is the process of or capacity for organizing, operating and assuming risk for a business venture. It is dynamic risk-taking, creative and growth-oriented behaviour which involves the use of various resources to create wealth".¹⁶

Therefore, Entrepreneurship is the work done by an Entrepreneur who establish such work or business enterprise and take risk by indulging in some innovative practice of performing production of any product or providing services. Whereas, entrepreneurship is a process of performing work in an established business enterprise.

3. Origin of entrepreneurship in India

The history of entrepreneurship is important worldwide and so is in India. The economy is the base where any type of work can be initiated for the development of the people and the economy. There are many factors that lead to the encouragement of the individuals to face the challenges and indulge in some type of risky works, and amongst those factor, fulfilment of needs is the paramount factor, to work for the livelihood. The development of an entrepreneur is dependent on the elements that there must be presence of material resources, industrial climate, political responsiveness and socio-economic environment with education as the base.¹⁷

There are many phases of development of entrepreneurship in India as are written under:

4. Ancient period

During ancient period, the Aryans came to India and they spread Hinduism in India which lead to foundation of caste system in India and gave rise to dominant classes and made division in the society for various different categories of works. There was formulation of priestly caste, the warrior caste, the farmer and traders and the menial workers.¹⁸ Now, traders were the main groups who were working as entrepreneurs and works were divided on basis of inheritance and generation to generation transfer of such work. As the division of society was made leading to origin of concept of upper caste and lower caste and because upper caste people were holding majority of wealth of economy and so they were able to establish their own business and thereby leading to more of their development as compared to lower strata.

During this phase, Mauryan empire was established and during that phase agriculture was the main work and for that

⁸ Joseph Schumpeter, *The Theory of Economic Development*, Harvard University Press, Cambridge, (1934)

⁹ B Janakiram, *Management and Entrepreneurship*, 141 Excel books, New Delhi, first edition (2010)

¹⁰ Hirish, Robert D, Michael P, and A Shepherd, *Entrepreneurship*, McGraw-Hill Irwin, New York, Sixth edition, (2005)

¹¹ Vasant Desai, *Business Planning and Entrepreneurial Management*, 03, Himalaya Publishing House, first edition (2016)

¹² Entrepreneurship in India, available at: https://mpr.ub.uni-muenchen.de/79720/1/MPRA_paper_79720.pdf, (last visited on: October 30, 2018)

¹³ A.H Cole, *Business Enterprise in Its Social Setting*, Harvard University Press, Cambridge, (1959)

¹⁴ Peter Drucker, *Innovation and Entrepreneurship Practice and Principles*, Harper business publication, USA, (1993)

¹⁵ Koontz, *A Practical Introduction to Business*, Homewood publication, (1981)

¹⁶ Ekanem, *A Fresh Start and the Learning experience of Ethnic Minority Entrepreneur*, International Journal of Consumer Studies, (2007)

¹⁷ Developments in Entrepreneurship, available at: <https://www.omicsonline.org/open-access/entrepreneurship-and-economic-growth-does-entrepreneurship-bolster-economic-expansion-in-africa-2167-0358-1000219-95120.html> (last visited on: February 28, 2019)

¹⁸ Ancient History, available at: <https://www.timemaps.com/civilizations/ancient-india/> (last visited on: October 29, 2018)

labour was employed by the land owners and the trade was carried out in spices, cotton, pearls, diamonds and also manufactured handicraft business was in practice. These practices gave an idea that business class was not much evolved but is still at the nurturing stage.¹⁹

5. Medieval Period

The medieval period is the time when Mughal Empire seeded its roots in the Indian society by defeating the Delhi Sultan Ibrahim Shah Lodi in the battle of Panipat. They were the holders of jewels and they trade in those materials and were prominently rich rulers. And handicraft industry was prevalent at that time. And Indian market enjoyed a Worldwide reputation. The muslin of Dacca, the calicos of Bengal, the sarees of Banaras and other cotton fabrics were known to the foreigners. Thus, Indian economy was structured as trading economy and holds autonomy in International market for handcrafted goods so it enjoyed Entrepreneurship in a way, by indulging in such practices.

During 17th and 18th century business community has grounded its roots in India, but its composition changed from time to time because the practices in business not remain same always. There were number of factors on which the business communities were divided such as on the basis of caste, religion and region. Mainly there were Hindus, Parsi, Jain and Islamic communities divided on basis of caste and religion.²⁰

6. Post British Era

The Indian economy was potentially efficient economy before the coming of British East India Company. But after the conquer of the British East India Company, the Indian handicraft market faced a huge loss because the Company started flourishing Indian market with the imported goods. And because there was no currency available with India to pay for the trade then they were to deal in the terms of Gold which further led to lowering of wealth of the economy.

The policies formulated by the British Company only favoured them. Many battles were fought between India and British Company and every time company won. During the period of 1858, England was passing through the period of changes in techniques of production which revolutionised the manufacturing process. And it was named as Industrial revolution.

Through industrial revolution handmade goods of Indian industry faced dire losses and led to holding of Indian market by the East India Company. They imposed many types of taxes, fees on every work and every sector got affected because of this. People were not able to do savings and so their works got affected because of this leading to no investments in any new work. In this phase, the development of the economy was at stake because the people were not able to start any new

business entity. Then the economic reforms were introduced in 1991 which reduced the bureaucratic controls, promoted private enterprise, and lowered the barriers to creating new businesses.²¹

LEGAL PROVISIONS OF ENTREPRENEURSHIP IN INDIA

The legal rules are the basis of every type of work that is done and provides proper guiding principles according to which the work is required to be performed. Therefore, the business world is changing and challenging with complex system of regulations that form the legal environment of business. Knowledge of business law is hence necessary for many management decisions.²²

There is governments role in providing a guiding role for the establishment of entrepreneurship business and for that they provide certain legislative provisions and certain other institutions that provide assistance for establishing such business entity and they are as discussed below.

Through way of legislative provisions:

- i. Indian Contract Act, 1872
- ii. Import and Export Control Act, 1947
- iii. Factories Act, 1948
- iv. Monopolistic and Restrictive Trade Practices Act, 1969
- v. Companies Act, 2013
- vi. Insolvency and Bankruptcy Code, 2016

7. Indian Contract Act, 1872

The law of Contracts in India is codified in a detailed and comprehensive legislation as Indian Contract Act, 1872. For businessman, it is one of the most important legislations that they should know because most business transactions are based on the laws of contract.²³

A contract is an agreement between two or more competent parties to do, or refrain from doing, some activities that is neither illegal nor possible. So, the conduct of business practices is dependent on this as to deal with each other a formal agreement must exist so that if any amongst the parties commits any wrong or infringes the terms of contract then he can be sued easily.

The act through section 10, provides Essentials of a valid contract and says that Free Consent is the main ingredient in validating an agreement to form a Contract. Even demarcates that if the consent is obtained through Coercion, Undue Influence, Fraud, Misrepresentation or Mistake then such Contract will be Void. And each contract creates some rights and duties between the contracting parties which are required to be obeyed by the parties and in case of any dispute, the aggrieved party can move to Court of Law for redressal.

8. Imports And Exports Control Act, 1947

¹⁹Business World and Entrepreneurship in Ancient India, available at: <http://knowindia.gov.in/culture-and-heritage/ancient-history.php> (last visited: February 25, 2019)

²⁰Pushpa Sunder, *Business and Community, the story of Corporate Social Responsibility in India*, 51-52, SAGE Publication, New Delhi, (2013)

²¹Trends in Entrepreneurship, available at: <https://timreview.ca/article/822>, (last visited on: October 30, 2018)

²²PK Ghosh, GK Kapoor, *Business and Society A study of Business Environment Interface*, 26, Sultan Chand and Sons Publishers, New Delhi, (1985)

²³Ibid

Import Trade Control was first introduced during World War II. It was done to conserve foreign exchange resources and to restrict imports thereby reducing the pressure on the limited shipping space available. The act was designed to:²⁴

- **prohibit, restrict** or otherwise **control import and export** of goods of any specified description by an order published in the official gazette of India;
- **charge application fees** for **issue or renewal of licences** including customs clearance permits;
- provide for **steps and actions** to be taken by Government against **misuse of imports and export facilities**.

The act therefore, keeps a check on any wrong practice if any is done during commission of import or export of any goods or services. Even the act also mentions punishments by way of fine and imprisonment up to two years in case of non-compliance of any order made under this act.

This act helps the entrepreneurs to work in cordial manner and puts a restriction on their conduct in matters of trade practices. So before indulging in such trade practices, one must understand the glimpse of this act.

9. Factories Act, 1948

The definition of Factories is mentioned in Section 2 clause (m) of Factories Act, 1948 as:

- i. wherein 10 or more workers²⁵ are working, or were working on any day of the preceding 12 months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or
- ii. wherein 20 or more workers are so employed if power is not being used.

And factory does not include-

- a) a mine subject to Mines Act, 1952, or
- b) a mobile unit belonging to the armed forces of the Union, or
- c) a railway running shed, or
- d) a hotel, restaurant or eating place.

Manufacturing Process means any process for:

- making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking-up, demolishing, or otherwise treating or adapting, any article or substance with a view to its use, sale, transport, delivery or disposal, or
- pumping oil, water, sewage or any other substance, or
- generating, transforming or transmitting power, or
- composing types for printing, printing by letter press, lithography, photogravure or other similar process or book-binding, or
- constructing, reconstructing, repairing, re-fitting, finishing or breaking up ships or vessels, or
- preserving or storing any article in cold storage.
- The act was formulated to protect the interest of the labour force. It obligates the employer to obey various legislative norms enumerated in the act as it contains

the provisions regarding working hours, overtime, leave with wages, safety, hygiene and welfare works.²⁶

Therefore, if an entrepreneur indulges in business of Factory establishment where he is required to appoint workers then he must oblige by the rules of Factories Act, this helps the entrepreneur and employees to get a binding rule which is beneficial for both the parties.

10. Monopolistic And Restrictive Trade Practices Act, 1969²⁷

The act was enacted to provide control of monopolies, probation of monopolistic, restrictive and unfair trade practices and protection of consumer interest. So that maximum material progress can be achieved through rational allocation of economic resources, make goods and services available to consumer at just and fair prices. There is also a Commission constituted under MRTP Act which was given the power to resolve consumer disputes and also to hold clutches over the anti-competitive practices.

The act came into operation to ensure:²⁸

- Prohibition of monopolistic trade practices
- Prohibition of restrictive trade practices
- Prohibition of unfair trade practices
- Control over monopolies

The act was also designed to regulate the expansion of the undertakings and entrepreneur business into specialised field for ensuring that:²⁹

- such expansions must not adversely affect the small and medium scale undertakings
- the act must not be prejudicial to 'Public Interest'

But with the passage of times many changes took place due to which there arises a need to change the provisions of MRTP act and so the competition law policy was revised and then many committees were set up to reach at the correct conclusion.

Raghavan Committee

The committee suggested number of changes in the competition policy and gave following suggestions:³⁰

- setting up of Competition Commission of India (CCI) and winding up of MRTP Act
- bring the government monopolies, foreign companies under the ambit of Competition law
- setting up of new limits and rules governing mergers, predatory pricing and abuse of dominance.
- And also, for transferring the cases of MPTRC to CCI

Enacting of Competition Act, 2002

Through the Raghavan Committee's suggestive view the Competition Act get enacted in 2002. And the act primarily dealt with underwritten aspects as:

²⁶ *Ibid*, 38-39

²⁷ Got Repealed in 2002 with Competition Act, 2002

²⁸ MRTP provisions relating to Entrepreneurship, *available at*: <https://www.owlgen.com/question/what-is-monopolistic-and-restrictive-trade-practicesmrtp-act-1969>, (last visited on: February 10, 2019)

²⁹ *Supra* 22, pg31-32

³⁰ Government of India, Report of the High-Level Committee on Competition Policy and Laws (Department of Company Affairs, 2000)

²⁴ *Ibid*

²⁵ As per the amendment of Factory Act, 2014 the minimum number of workers is increased to 40.

- anti-competition agreement
- abuse of dominance
- combination regulation
- competition advocacy

And the act also provided for establishment of a quasi-judicial body named as Competition Commission of India (CCI) for registering all the complaints and also Competition Appellate Tribunal to hear appeal cases against CCI orders.³¹

The act promotes the practice of indulging into healthy competition in the market and must not practice anti-competitive practices or exercising dominance in the market. Through this, the new entrepreneurs will also get a chance to enter into market without any second thought of getting eliminated from the market by other existing enterprises.

11. Companies Act, 2013

A company as is defined in Companies Act, 2013 means company incorporated under the Companies Act, 2013 or a company incorporated under Companies Act, 1956.

Company is one of the forms of a business organisation where the money is invested for some activity that can be in the form of some production process or some service providing and any other practice.

The act lays down provisions regarding qualification, appointment, remuneration, removal, retirement of directors, conducting board and shareholder meetings, passing of resolution, maintenance of books of accounts and the preparation and presentation of annual accounts, filling of returns, winding up, and dissolution.³²

Every law is framed with certain set objective that is to be achieved by following the rules laid down in the act and so this act also lays down certain objectives as under:

- To provide a basic structure for the management and business dealings.
- To protect the interest of the investors and give them due recognition in the business meetings.
- To properly practice the business rules and render proper services with due diligence and obeying of duties as is required for the business.
- To keep a check on the business activities and follow proper investigation process in case of any mismanagement if found.
- Fair and accurate disclosure of the affairs of activities related to the business either be of financial nature or any other management decision.

Procedure for Formation of Companies

The setting up of a company requires various steps such as follows under: Section 3 of Companies Act, 2013 provides provisions for this and it requires that the company must be formed for some

lawful purpose by certain specified number of persons that differs in matters of private company, public company, one-person company.³³

For the purpose of registration and incorporation of company they are required to file with documents i.e. Memorandum of Association defining the structure or constitution of the company and Article of Association containing internal affairs relating to rights of members and company governing provisions.³⁴ Then with this they are required to provide information regarding the name of their company, place of office, name of persons who are appointed as Directors with their proper address.³⁵

Winding-up Provisions

The winding up provisions are defined in Section 270 to 365 of the act and lays down the procedure for such process which can be distinguished as voluntary and compulsory winding up. Even it provides as four different forms of processes for winding up such as below:³⁶

- winding up by the Tribunal
- Voluntary winding up (but is being omitted from the Company Act and replaced by Insolvency and Bankruptcy Act, 2016)
- official liquidators

Through this act, every entrepreneur who is going to establish a business entity will follow the provisions of Company law and even for winding up of company or entity the act will assist in such practice. The Companies Act Amendment of 2013 added a concept of Corporate Social Responsibility (CSR) which means the companies have to do certain social welfare works for the development of the society. This practice promotes the name of company or entity thereby leading to increase in the Goodwill of the entity.

12. Insolvency And Bankruptcy Code, 2016

The Code is a comprehensive legislation "to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner"³⁷

It enables an honest firm to come in, get out and realise potential of every person.³⁸

The act was enacted to consolidate and amend the laws relating to reorganisation and insolvency resolution of

³³SC Tripathi, *New Company Law*, 08 (Central Law Publications, Allahabad, 2015)

³⁴*Ibid*, 45-89

³⁵*Ibid*, 45-89

³⁶Winding Up provisions in Company's Act, available at: <http://www.cakit.in/wp-content/uploads/2017/09/windig-up-Super-30-final.pdf>, (last visited: February 11, 2019)

³⁷Winding up provisions in Insolvency Code, available at: <https://ibbi.gov.in/3rdPrizeRohanKohliNLIUBhopal.pdf> (last visited on: February 11, 2019)

³⁸How Insolvency and Bankruptcy Code boost Entrepreneurship in India, available at: <https://www.india.com/news/agencies/insolvency-code-to-boost-entrepreneurship-ease-of-doing-business-2360595/> (last visited on: January 20, 2019)

³¹Preamble, Statement of Objects and Reasons, *Competition Act, 2002*

³²Legal Provisions of Entrepreneurship, available at: <https://yourstory.com/2016/04/business-india-compliance-requirements/> (last visited on: January 15, 2019)

corporate persons, partnership firms and individuals in a time bound manner. The main focus of the act is:³⁹

- for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alterations in the order of priority of payment of Government dues
- to encourage entrepreneurship and innovation.
- Provides an easy process for winding up a company or an entrepreneurship and introduced 'corporate insolvency resolution process' (CIRP) which provides a mechanism that permits defaulting debtors a moratorium period to revive their financial woes.⁴⁰
- There requires appointment of Insolvency professionals who shall act as Liquidators who are authorised to complete the liquidation process within a period of twelve months from the date of commencement of such process.⁴¹

The code boost entrepreneurship and promote ease of doing business. The code also ensures optimum utilisation of resources within a firm or releasing unutilised resources for efficient users for closure of firms. The code provides economic freedom to exit and a mechanism to address failures.

After independence, Indian business economy was not in good state and only few entities were in existence this led to governments involvement in the matter on which government decided to encourage entrepreneurship practices through various programmes and institutional establishments to help the industrially backward areas to foster the growth. Other Institutional Efforts by Government:⁴²

- i. National Institution for Entrepreneurship and Small Business Development (NIESBUD)
- ii. Entrepreneurship Development Institution of India (EDII)
- iii. Technical Consultancy Organisation (TCO)
- iv. Indian Investment Centre (IIC)
- v. Ministry of Skill Development and Entrepreneurship

13. National Institution For Entrepreneurship And Small Business Development (NIESBUD)

The institute was established by the Ministry of Industry in 1983. The body was authorised with task of coordinating and supervising the activities of different agencies which are engaged in the activities of entrepreneurial development. The institute helps in creating an environment for business entities

³⁹Objective of Insolvency and Bankruptcy Code, available at: <https://www.insightsonindia.com/wp-content/uploads/2016/11/The-Insolvency-and-Bankruptcy-Code.pdf> (last visited on: January 20, 2019)

⁴⁰Winding up provisions in Insolvency Code, available at: <http://www.mondaq.com/india/x/713766/Insolvency+Bankruptcy/The+Insolvency+And+Bankruptcy+Code+2016+Time+To+Wind+Up+The+Winding+Up+Regime> (last visited on: February 11, 2019)

⁴¹Winding up provisions in Insolvency Code, available at: <https://taxguru.in/company-law/voluntary-winding-up-under-insolvency-and-bankruptcy-code-2016.html> (last visited on: February 11, 2019)

⁴²Mrs. Renu Arora, Dr. SK Sood, *Fundamentals of Entrepreneurship and Small Business*, 186, Kalyani publishers, (2005)

to develop and assist the potential entrepreneurs. The main functions of institute are:⁴³

- Evolving effective training strategies and methodology
- Standardising model syllabus for training various target groups.
- Facilitating and supporting agencies engaged in entrepreneurship development.
- Developing training aids, manuals and other tools.
- Conducting such programmes which are not undertaken by other agencies.
- Maximising their benefits and accelerating the process of entrepreneurship development.
- Organising all those activities that help to develop entrepreneurial culture in the society.

14. Entrepreneurship Development Institute Of India (EDII)

This is a National Institute set up by Public Finance Institution to promote research, training and institution building activities by promoting active participation of backward areas. And for this task they need to follow certain defined steps as:⁴⁴

- Selecting Potential Entrepreneurs
- Achievement motivation Training
- Product selection and project report preparation
- Business management training
- Practical training and work experience
- Post training support and follow up

15. technical consultancy organisation (TCO)

This organisation is headed with responsibility of providing technical assistance and training to prospective entrepreneurs. The state governments can independently order constitution of such organisation. There main functions are as under:⁴⁵

- Finding out Industrial Potential
- Undertaking feasibility studies and preparing project reports
- Undertaking techno economic survey
- Conducting marketing research
- Helping entrepreneurs in updating and upgrading

Technical consultancy organisations aim at providing complete assistance to the entrepreneurs right from the starting of their enterprise to the successful management.

16. Indian Investment Centre (IIC)

It is government supported centre that works independently for promoting practice of Joint Ventures between Indian and Foreign Entrepreneurs.

It provides all the relevant information to the foreign investors who are interested to make investment in India. Entrepreneurial Guidance Bureau has been set up by IIC for identifying investment opportunities and providing assistance at various levels for the setting up of enterprise.⁴⁶

⁴³Ibid

⁴⁴Ibid, 186-187

⁴⁵Ibid

⁴⁶Ibid

Other than these institutions and agencies, there are number of state and national level institutions that provides financial, technical, legal assistance to the settled entrepreneurs and pursuing entrepreneurs. Such as:⁴⁷

At National Level

- Small Industries Development Corporation (SIDC)
- Industrial Development Bank of India (IDBI)
- Industrial Finance Corporation of India (IFCI)
- Khadi and Village Industries Centre (KVIC)
- Science and Technology Entrepreneurs Park (STEP)

At State Level

- Small Industries Service Institute (SISI)
- Distinct Industries Centre (DIC)
- State Finance Corporation (SFC)
- State Small Industries Corporations (SSIC)
- State Industries Promotion Corporations (SIPC)
- Management Institutes and Voluntary Organisations

17. Ministry Of Skill Development And Entrepreneurship

The Ministry was set-up by Government of India on November 09, 2014 to coordinate all skill development efforts across the Country.⁴⁸ The Ministry helps for the coordination of all skill development efforts across the country and removal of any disconnection between demand and supply, builds the vocational and technical framework, skill up gradation, and innovative thinking.⁴⁹

There are various schemes proposed on Entrepreneurship Development as is guided by Ministry of Skill Development and Entrepreneurship. The scheme is designed with following programmes:⁵⁰

• Educate and Equip Potential and Early Stage Entrepreneurs across India

The government in collaboration with experts in different sectors of business, prepare a world class Entrepreneurship Education syllabus which is provided to all ambitious entrepreneurs without any cost. They initiated a process of online learning which can be opted by students or interested business people any time through **Massive Open Online Courses (MOOCs)**.

And also adopted a step to make improvement in entrepreneurship education integrated course curriculum in around 3000 colleges in India. The **Entrepreneurship Hubs (E-Hubs)** are set up in all states where existing and potential entrepreneurs can get education as per their requirement. Through this practice, the entrepreneurs can access to national

⁴⁷ *Ibid*, 188

⁴⁸ Background of Ministry of Skill Development and Entrepreneurship, available at:

<https://www.msde.gov.in/assets/images/Mission%20booklet.pdf>, (last visited on: February 13, 2019)

⁴⁹ Ministry of Skill Development and Entrepreneurship, available at: <https://www.msde.gov.in/aboutus.html>, (last visited on: February 13, 2019)

⁵⁰ Ministry of Skill Development and Entrepreneurship, available at: <https://www.msde.gov.in/proposed-scheme.html>, (last visited on: February 14, 2019)

network of Entrepreneurship Hubs (E-Hubs) which is spread all over the Nation.

• Connect Entrepreneurs to Peers, Mentors, Incubators

The government for the support of young entrepreneurs who are the stage of development, is establishing a web and mobile based platform through which all the entrepreneurs get connected with each other through online access and share relevant information.

Entrepreneurship activities in innovative and cutting-edge technology areas will be aligned with initiatives such as Atal Innovation Mission (AIM) and Self Employment Talent Utilisation (SETU).⁵¹

• Catalyse a Culture Shift to encourage Entrepreneurship

The government at state and national level conducts certain practices that promotes linkage of Indian entrepreneurs with International market through conducting internship opportunities and exchange trips to certain entrepreneurship hubs like Silicon Valley. Even to encourage practice of entrepreneurship the government took a step to Award the young achievers.

• Encourage Entrepreneurship among Underrepresented Groups

In the modern state economy, even though many steps were taken to uplift the downtrodden strata of society but still their condition is not much balanced. So, the government put a special focus on inclusion of scheduled castes and scheduled tribes, minorities, differently abled, etc in entrepreneurship programmes and schemes. Here the enrolment of capacitated persons is done to let them become skilled in task of doing business.

• Promote Entrepreneurship amongst Women

Special programmes initiated for women who are interested to become entrepreneurs by way of providing incentives. It will also be ensured that gender neutral incubation/ accelerator, network of mentors, industry, resource centres and credit institutes are developed to facilitate Women Entrepreneurs. Much priority will be given to support and provide facility of mentorship for women entrepreneurs so that separate gender data can be assembled on entrepreneurship.

18. Conclusion

This paper discussed in detail the government initiatives in the promotion and improvement of entrepreneurship. But only making of provisions will not benefit in economic development till such provisions do not put into operation for implementation. The awareness among people about such institutions, agencies, schemes and legislative provisions is the mainstream for achieving the target of successful entrepreneurship economy.

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