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A Practical Insight into Entrepreneurship and Self Employment with Reference to Maharashtra State

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Abstract

More focus is required on entrepreneurship rather than job. Entrepreneur has to decide land, water, space required, no. of workers male or female, machines required for the production, technical knowledge of product and relevant evaluation. Various legal and documentary formalities are required to be completed in respect of the same which include Land- which is generally available in MIDC, Preparation of Project Report, Udyam Registration, Permission from Maharashtra Pollution Control Board, Consent to establish a Unit, Consent to commence operation, Permission from Town Planning Department, Approval of Factory Building Plan, Factory Building Completion Certificate, GST Registration, Application for Electricity and Water Supply to Regulatory Authority, Certification from Regulatory Authority for e.g. if a unit is relating to the production of food items, permission from Food and Safety Authority of India Mode of operands of the business. MCED has regional offices at district levels and provides training and certification to the aspiring entrepreneurs and assist in getting loans and finance.

Various kinds of business formats are available such as sole proprietary firm, partnership firm, LLP, co-operative society, charitable trust Private limited company, Limited Company. Various kinds of sources of loan funds are available for businessmen such as Prime Minister's Employment Generation Programme, Mukhyamantri Rojgar Nirmitti Yojana, PM Vishwakarma Yojna, Mahila Samrudhi Yojana etc.

Keywords: Entrepreneurship and self employment, MCED, loan funds

Introduction

India is the fastest growing economy in the world. It is presently standing at the 5th position. However employment is not generated at the pace at which the population is rising. Thus we have to focus more on entrepreneurship rather than job. Same thing is also emphasized after enactment of new Government in 2014 and more encouragement is given to the Entrepreneurship and self employment.

Objectives

1. To understand the need of entrepreneurship and self employment in today's world.
2. To know the requirements and approach for entrepreneurship and self employment
3. To take overview of the various schemes of Govt. available regarding loan funds.

Scope and Limitations

1. Research paper focuses on formalities, requirements and various Govt. schemes available for business unit or enterprise.
2. Research paper focuses on general outline regarding various industrial unit.

Research Methodology:

It's a qualitative and descriptive kind research topic. Secondary sources like books, research articles, online resources, news articles, views of industrial experts are used for data collection.

Generally when a person wants to set up a industrial unit or production unit, he has to take into certain matters which are plot or land which should be N.A., light, water, roads, transportation facilities etc. Generally these facilities are available in the industrial areas developed by state govt. such as MIDC.

Maharashtra Centre for Entrepreneurship Development (MCED) is established in the year 1988 as a training institute to give training and guidance for common people, who wants to become an Entrepreneur and make value addition to their life.

MCED helped so many entrepreneurs to become successful in the society. The entrepreneurs are not only an asset to the society but also developed themselves and their family and helped so many other life's in the society. They helped others to fulfill their dream and have provided them employment and motivate them to become entrepreneurs like them. MCED has regional offices at district levels and provides training and certification to the aspiring entrepreneurs and assist in gaiting loans and finance.

The entrepreneur has to decide land, water, space required, no. of workers male or female, machines required for the production, technical knowledge of product and relevant evaluation. A market survey and demand analysis of proposed production of the product is needed to be done. There are agencies in cities like Mumbai, Pune, Ahilyanagar which provide ready made business ideas, you just need to evaluate and confirm the demand for the product.

Various legal and documentary formalities are required to be completed which include

- Land- which is generally available in MIDC
- Preparation of Project Report
- Udyam Registration
- Permission from Maharashtra Polution Control Board-
 - Consent to establish a Unit
 - Consent to commence operation
- Permission from Town Planning Department
- Approval of Factory Building Plan

- Factory Building Completion Certificate.
- GST Registration
- Application for Electricity and Water Supply to Regulatory Authority
- Certification from Regulatory Authority for e.g. if a unit is relating to the production of food items, permission from Food and Safety Authority of India, for fire crackers business permission from Petroleum & Explosives Safety Organization (PESO) is required

Further it is required to decide the mode of operands of the business. Various kinds of business formats are available such as sole proprietary firm, partnership firm, LLP, co-operative society, charitable trust Private limited company, Limited Company. However some trade experts are of the opinion it better to not go for partnership firm format in order to avoid future disputes unless the partners are closely related family members such as father-son, son-mother etc. where chances of disputes are minimal. An entrepreneur aspirant is further required to decide from where he or she can obtain the fund.

Various kinds of sources of loan funds are available for businessmen. Some exemplary nature are enlisted as under....

The Prime Minister's Employment Generation Program-

- Began from 15-08-2008.
- Production Sector- 50 lakh.
- Rendering of Services -20 lakh.
- Only for a new business unit and not the continuous unit is eligible.
- The company established according to 1860 law, cooperative society according to 1960 is eligible.
- Bachat Gat is eligible
- Dairy, animal pairing, horticulture, Sericulture, Poultries, Fisheries business that are allowed.

Mukhyamantri Rojgar Nirmiti Yojana (CMEGP)

- Began since 2019-20.
- Production sector- 50 Lakh.
- Services render-10 Lakh.
- Age limit 18-45.
- For the project that amounts to RS.10 LAKH of the standard seventh and the project that amounts to RS.25 Lakh, tenth of standard passing is required.
- Sole Proprietary partnership and bachat gats are eligible.

- A member per family can apply for the scheme.

PM Vishwakarma Yojna

- Stipendio-RS 500 per day.
- Tool kit incentive –RS.15, 000.
- Collateral Free Enterprise Development loan –
- 1 Lakh (first trench for 18 month reimbursement) and 02 Lakh (second trench for 30-month reimbursements)
- Interest rate of the concession-5 % with the CAP of 8 % to be paid for MOMSME
- Minimum age 18 years
- A craftsman or artisan who works with hands and tools and must participate in the Base of Traditional Trades/Sector For example, Sutar, Badhai, boat maker, locksmith, Sculptor (Murtikar, Stone carer, stone breaker), Goldsmith (Sonar), blacksmith, hammer and tool kits manufacturer, locksmith, sculptor (Murtikar, stone caregiver, stone switch), goldsmith (sonar), potter (kumbhar), cobbler (charmakara), shoe (footwear craftsman) etc.
- On the registration date and there should be no loans under similar schemes based on central government or state government for self -employment/ business development.
- The benefits under the scheme will be limited to a family member. To take advantage of the benefits under the scheme, a "family" is defined as composed of the husband, wife and single children.
- A person in government service is not eligible.

Mahila Samrudhi Yojana

- Annual interest rates
 - Up to RS 50,000 4%
 - RS. 50000-500000 5%
 - More than 500000 7%
- Repayment Period- 5 years
- Contribution of the beneficiary 5% (for an amount beyond RS.100000)
- Disabled women encouraged to make any small -scale industry, service industry, processing industry, goods manufacturing industry, domestic industry.
- Priority is mainly given to the self -sufficiency of women with different abilities.
- Also 1% discount in the interest rate to disabled women is also awarded.

Special credit capital subsidy scheme (SCLCSS)

- 25% subsidy to MSE SC-ST for plants and machinery/ equipment acquisitions through institutional credit (bank loan) with the general roof of RS. 25 LACS on the subsidy, without specific restrictions of the sector.
- SCLCSS, is applicable for the purchase of new plants and machinery / equipment eligible for term loans from Prime Lending institutions (PLI).
- Sole Proprietorships, Partnerships, cooperative societies, micro / small private companies owned by SC / ST organisations engaged in the manufacturing and service activity are eligible.

Startup India Seed Fund Scheme (SISFS)

- Up to RS. 20 Lakhs as a subsidy for the validation of the concept test, the development of prototypes, or product tests.
- Until RS. 50 LAKHS investment for market entry, marketing or expansion through convertible debentures or debt or instruments linked to debt
- Financial assistance to new companies for concept evidence, prototype development, product trials, market entry and marketing.
- Eligible startups can request the scheme in the Indian start portal. The seed fund will be disbursed to the new companies selected through eligible incubators throughout India.

MSME credits, otherwise, called miniature advances, little and medium -sized company- are types of credits that can benefit in the event that you own a company or who is a business person.

- Interest rate 7.75% p. forward
- Loan amount RS.50,000 onwards
- The loan Tenure 15 years
- Processing rate subject to the lender
- Miniature, small and medium -sized companies can benefit MSME advances for the development of organizations or to establish new efforts.
- The rules for the characterization of the MSME are currently uniforms for assembly and the administration companies that occur under the table below:
- Classification Manufacturing And Services Enterprises:
- The micro- investment does not exceed RS.1 crore rupees and the turnover/sales does not exceed Rs.5 crore rupees

- Small- investment does not exceed RS. 10 crore rupees and turnover/sales does not exceed RS.50 crore rupees
- The average investment does not exceed RS.20 crore rupees and turnover/sales does not exceed Rs. 100 crore rupees

Financial incentives for MSME/LSI, under PSI-2013-

- The MSME/LSI unit will be eligible for an incentive basket and the total amount is based on investment made in fixed capital/assets
- A Industrial Promotional Subsidy (IPS) for MSMEs- Eligible New/Expansion Micro, Small and Medium Manufacturing Enterprises, established in different parts of the State, will be eligible for Industrial Promotion Subsidy(IPS)
- Volume of Industrial Promotion Subsidy Every Year –
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 100% of ITC for Naxalism Affected Area
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 75% of ITC for Areas having no industries.
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 65% of ITC for Entire Vidharbha and Marathwada Other than above.
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 60 % of ITC for Group D+ Taluka.
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 40 % of ITC for Group D Taluka.
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 30 % of ITC for Group C Taluka.
- Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 20 % of ITC for Group B Taluka.
- Industrial Promotional Subsidy (IPS) is available for Large Scale industries

- The eligible New/Expansion Large Scale Manufacturing Units established in different parts of the State, will be eligible for Industrial Promotion Subsidy (IPS) as under :
- 100% Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable for Naxalism Affected Area
- 90%Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 75% of ITC for Areas having no industries and Vidharbha and Marathwada
- 80% Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 60 % of ITC for Group D+ Taluka.
- 70% Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 40 % of ITC for Group D Taluka.
- 60% Value added tax on local sales less input Tax Credit (ITC) or 0 whichever is higher + Central sales tax payable + 30 % of ITC for Group C Taluka.

Conclusion:

Moving towards Entrepreneurship and self employment is very much needed considering the rising population and less employment opportunities. Careful analysis and market survey is needed before starting any business. Government is also giving encouragement the start up and self employment project through various schemes.

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Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper

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