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## START-UP INDIA: IS ENCOURAGING ENTREPRENEURS?

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### 1. Abstract

Due to rapid technological change and globalization, many complex problems have arisen in the economy like unemployment, intense competition etc. And apart from this many opportunities have also been born. It has become necessary to develop and encourage entrepreneurs to fight against these problems and take advantage of the opportunities. To fulfil this objective, a start-up India initiative has been launched. In this paper, we will be studied that how start-up India is encouraging entrepreneurs, whether start-up India has generated employment opportunities or not and what is the present scenario of start-up India initiative in the Indian economy.

**Key words** = Start-up India , entrepreneurship , encourage of entrepreneurship , Unicorn company

### 2. INTRODUCTION

Due to globalization and advanced technology, a developing country like India is facing high competition as well as unemployment. For this reason, the Indian economy has moved towards the self-sufficient concept. The role of entrepreneurs is going to be important in achieving this objective because along with employment generation, it will be helpful in eradicating poverty, which will also raise the standard of living. Various initiatives like start-up India have been launched in India to bring entrepreneurs forward. **(Shashikala, S R., et al.2020 )** Indian economy is now moving towards becoming self-sufficient and at the same time it is also going towards expansion. Keeping this in mind, the Indian government has made digital India, self-reliant India, start-up India etc. The program has been launched. To encourage entrepreneurs, the Indian government is creating that kind of environment so that entrepreneurship can be boosted. This will not only result in economic growth but will also help in increasing GDP and job creation. **(Dr. Babu, S.G., et al.2019 (a) )** Indian economy is still in the developing stage and now the Indian economy is facing many problems. The establishment of new and Innovative businesses by encouraging entrepreneurs through strap-ups can reduce the problems of the economy and this will help in the growth of the economy. Through start-ups, entrepreneurs will be able to work with confidence even on risky ideas. **(Rameshbhai, M.G., et al.,2020(a) )** Today's era is of youth, they keep coming up with many creative and new business ideas, but due to a lack of resources, they are not able to transform those ideas into business. Start-up proves helpful in converting

these ideas into business. That's why START up reduces the financial, technology, social, legal and environmental challenges of entrepreneurs in the initial phase. So that young entrepreneurs are encouraged and they can grab the opportunities of the environment ( **Dutta, A.,2016** ) It is evident that Indians are creative, innovative, and risk takers. That's why they are dominating at the global level today. Start-up India has been launched to prevent this creative and innovative business mind from going out and for its proper utilization. (**Dr. Chellappa, R.,2020**)A start-up means an organization established on a new idea that is still in the initial phase of business. In other words, it is not a well-organized organization but a temporary organization. It is financed either by an individual or by a small group. (**Dr.Ramteke, M.A.,2022 (d)** ) Start-up India program not only encourages entrepreneurs but also creates jobs on a huge level. (**Dr. Ramchandani, H.P.,2017(a)** )

Its motto is to convert a new and creative business idea into a profitable business and capture huge finance from investors.

### **START-UP INDIA INITIATIVE :**

The Start-up India initiative was launched by the Government of India on 16 January 2016. This initiative has been started with the purpose of increasing the start-up in the country. In this initiative various types of help (like financial, technology, legal etc.), E-books, courses, mentorship programs, Tax exemptions, cost reduction measures easy windup options etc. have been included so that people can be encouraged to become entrepreneurs. Apart from this, their entrepreneur's skills and knowledge can be developed. (**Mr. Eliganur, B.,2023**)

19 actions have been taken in Start-up India, which have been divided into 3 parts so that start-up start becomes easy (**Dr Mehra, S., et al. 2023** ). These are the following.

#### **1. SIMPLIFICATION AND HANDHOLDING :**

- ✓ Compliance regime based on self – certification
- ✓ Start-up India hub
- ✓ Rolling out of mobile app and Portal
- ✓ Legal support and fast tracking patent at lower cost
- ✓ Relaxed norms of public procurement for start-up
- ✓ Faster exit for start-up

#### **3. Funding support and Inventive**

- ✓ “Fund of fund “ INR 10000cr.
- ✓ Credit Guarantee fund for start-up
- ✓ Tax exemption on capital gain
- ✓ Tax examination to START UP for 3 year
- ✓ Tax exemption on investment above fair market value

#### **3. Industry academia partnership and Incubation**

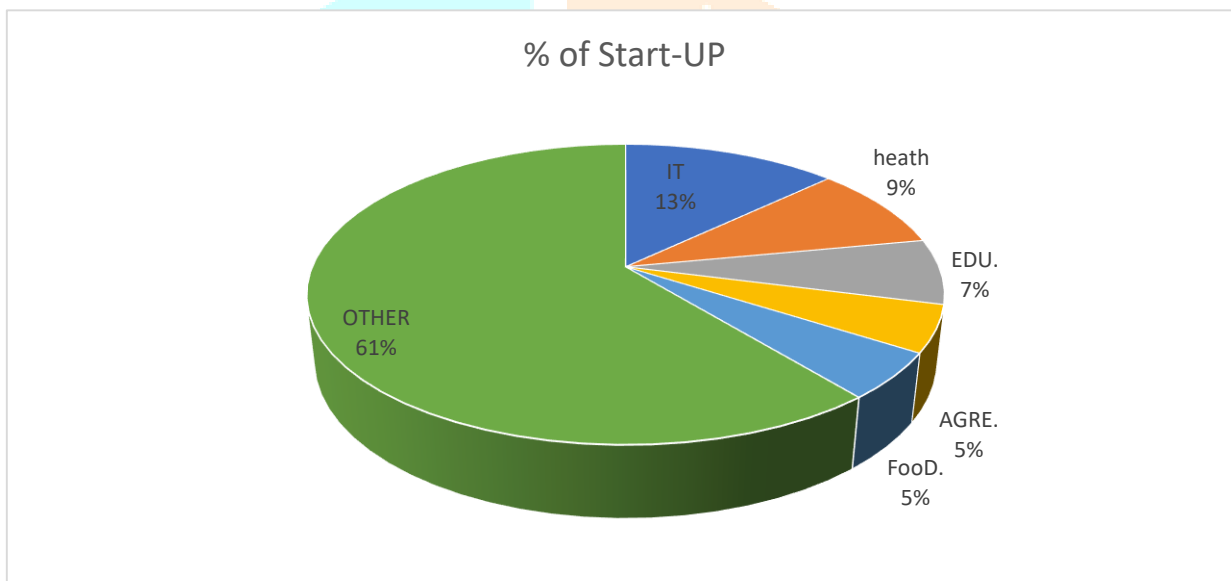
- ✓ Organizing start-up fests for showcasing innovation and providing a collaboration
- ✓ Launch AIM / SETU
- ✓ Harnessing private sector expertise for incubator
- ✓ Building innovation centres at national institution
- ✓ Setting up 7 new research park
- ✓ Promoting start-up in the Biotechnology sector
- ✓ Launching of Innovation Focused programme for start-up
- ✓ Annual Incubator grand challenges

## PRESENT SCENARIO OF START-UP IN INDIA :

By 31st May 2023, more than 99000 START UPS have been recognized in India by DPIIT. These start-ups are spread across 670 districts in 26 states of India. These start-ups cover about 56 industries. FinTech, R-commerce, IT and Education are the sectors in which most start-ups have been recognised. ( **Sneha, C.J., et al.2023**) India's start-up ecosystem is growing faster than other countries, due to which India has emerged as the 2nd largest start-up ecosystem, only the USA is ahead of India. ( **Dr. Maradi, M.M.2023**).

### Start-up distribution sector wise : ( Source = vesttindia-gov-in.)

- 13% IT Sectore
- 9% health and life science
- 7% education
- 5% education
- 5% food and beverage (cj)



- Other 61%

### Key point :

- Majority of start-up recognised in IT Sectore ( 13%)
- Five sector is capture 39% of total start up

## LITERATURE OF REVIEW:

- **Anurag Mathur and Dr Himanshu Agarwal (2023)**. Found that the majority of the respondents are facing problems related to skilled labour, advanced technology, finance access, market and distribution.
- **Akhilesh Sharma (2020)**. Found that if start-ups want to run or operate successfully, they have to create a customaries product (95.4%), and develop strategic partnerships (93.6%).
- **OECD (2013)**. Start-up brings new ideas and innovative thoughts into the economy, which brings significant changes in the economy.
- **Dr. Mallikarjun M. Maradi (2023)**. Found that start-up solves the crucial problems of the economy like employment in an innovative way. Both the failure and success of start-ups have an impact on the economy.
- **BasavarajaEliganur (2023)**. In this study, after analyzing various schemes which have been launched to encourage entrepreneurs, it was found that people benefited by opening 746 a/c from 2015 to 2022 under the Pradhan Mantri MUDRA yojana and the start-up India seed fund scheme Under this, 3600 start-ups have been provided BENEFITS all over India.

- **Dr. RadhaMaddisetty (2023).** States that the majority of start-ups have to face improperly founded, innovative research, insufficient finance and competition with big houses in the initial stage of business. Due to this most of the start-ups fail in the initial phase itself.
- **Dr. BasavarajaEliganur (2023).** Found that there is a positive correlation between start-up India initiative and job creation and the start-up program has a positive impact on various aspects of the economy.
- **Dr. Mallikarjun M. Maradi (2023).** Found that a start-up has a lot of potential it can make a deep impact on the world economy whether the start-up fails or becomes successful. Startups have the potential to reduce the problems caused by this fast-changing economy.

#### 4. OBJECT OF THE STUDY :

- To study the concept of start-up India .
- To study the how start-up India is encouraging entrepreneurs.
- To study the present scenario of start-up India.

#### 5. RESEARCH METHODOLOGY:

The present study is descriptive research in nature. This study is based on secondary data. The secondary data is collected from the various sources like research paper, article , government report , newspaper , magazine etc.

#### 6. RESULT AND DISCUSSION

##### 7. (I) HOW START UP INDIA ENCOURAGE ENTREPRENEURS:

###### ➤ **Holistic support:**

Under the start-up India initiative, problems related to various aspects of business such as finance, technology, social, environmental etc. will be solved and help will be given to overcome them. **(Harini,R., et al,2021 (a)**

###### ➤ **Build entrepreneurs friendly environment:**

Start-up India is creating a business friendly environment. So that youth entrepreneurs are engaged to convert innovative and creative idea into business.( **Harini,R., et al,2021(b)**

###### ➤ **Origin of self reliant concept:**

The motto of start-up India initiative is “start-up India-stand up India”. The amount that you yourself become self employed as well as provide employment opportunity to others. **(Dr. Ramteke,M.A.,2022 (a) )**

###### ➤ **Enhance personal and social life standard:**

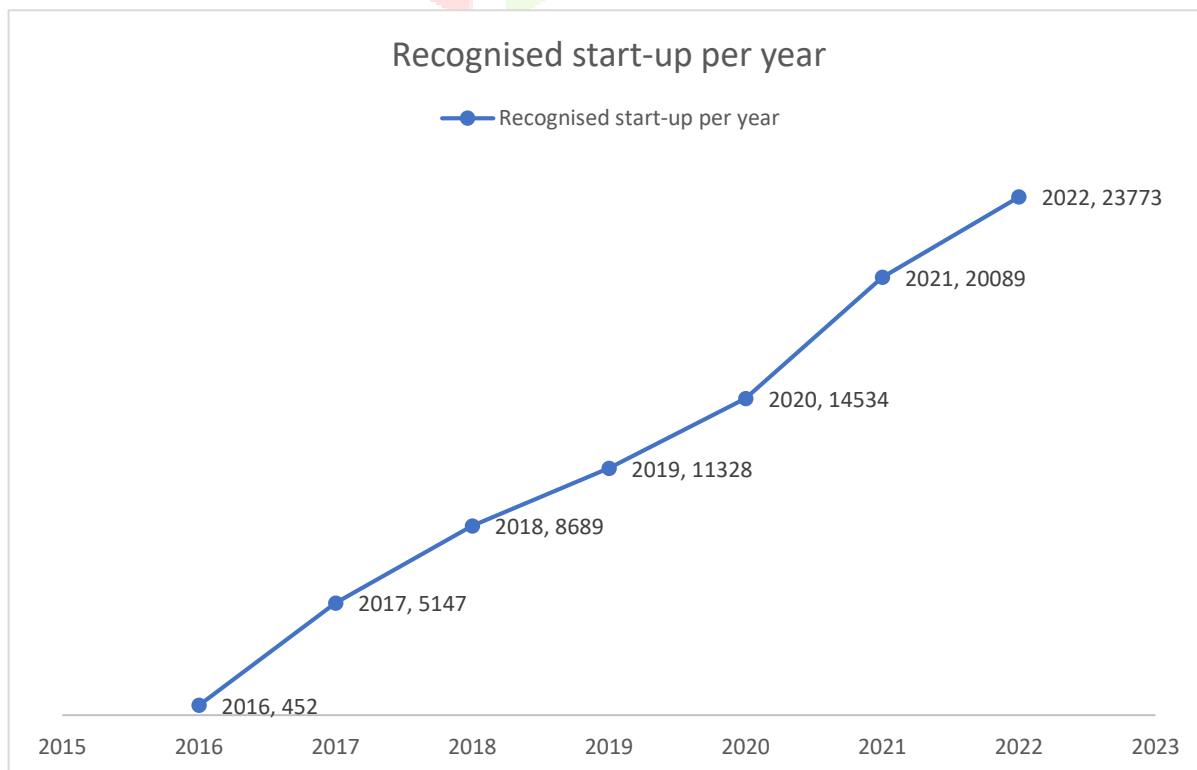
Start-up gives people pride, recognition for their work in the society and they become a brand. Apart from this, the source of their income also increases due to which their per capita income increases and their standard of living also increases. **(Dr.Ramteke,M.A.,2022 (b))**

- **Help to grow economy:** Thousands of businesses are being established every year due to start-up India initiative. Due to this, employment is being generated on a huge scale. Start-up India is also making a positive impact on GDP and per capita income, which is proving helpful in growing the economy. **(Rameshbhai,M.G.,et al . 2020 (b) )**

- **Reduce business failure stress:** In comparison to normal business, under start up India, if your business India does not work and it fails, then it is easy to windup it. Entrepreneurs can be free from their liability by closing the business. (Dr. Ramchandani,H.P.,2017 (b) )
- **Huge financial support:** 1000cr to start-up India entrepreneurs. Provides support package of 500cr and also provides credit guarantee mechanism support of 500cr. Apart from this, up to 80% and 50% rebate is also provided in the cost incurred for obtaining patent and trademark respectively (Sonkar,N.2021).
- **Relief in taxes:** Government of India gives many tax relief to start business under start up India scheme like relief in royalty tax 25 to 10%, 3 year capital gains tax relief, 3 year income tax relief on profit etc. (Dr. Babu,S.G.,et al.2019 (b))
- **Origin of self reliant concept:**  
The motto of start-up India initiative is “start-up India-stand up India”. People are making themselves self-employed in the society, as well as providing employment to other people as well.Dr. Ramteke,M.A.,2022(c) )

year start -up per year

2016	452
2017	5147
2018	8689
2019	11328
2020	14534
2021	20089
2022	23773



(Source=DPIIT)

**KEY POINT:**

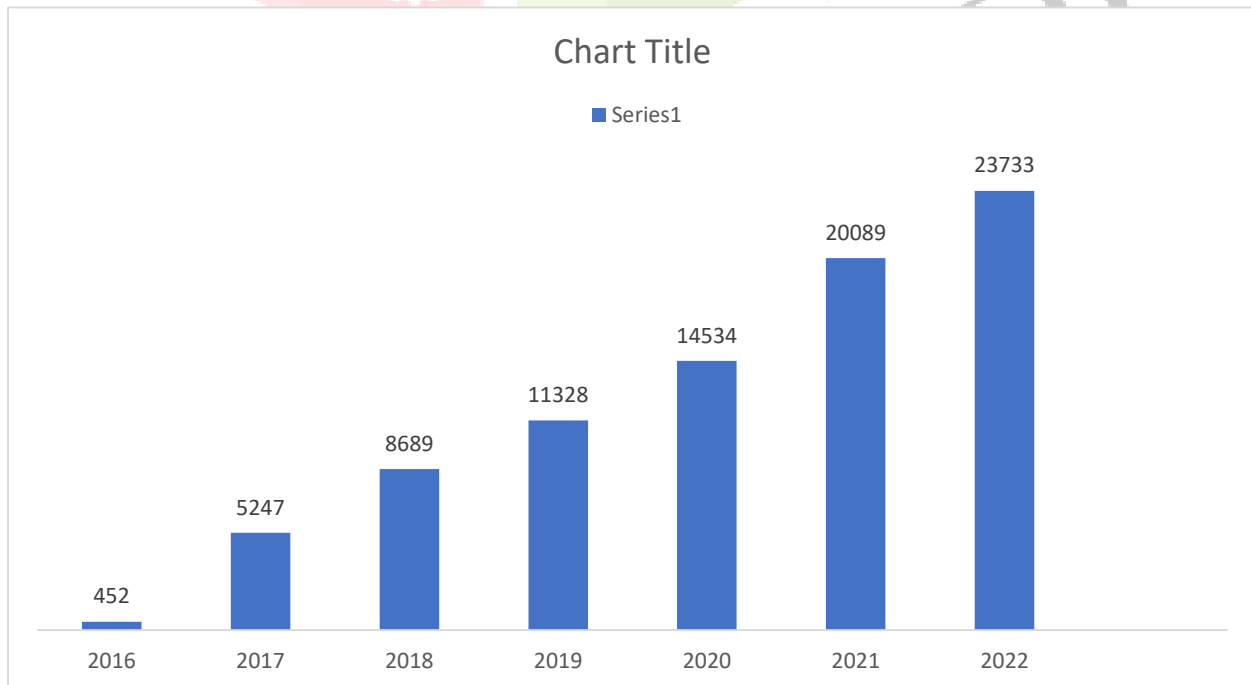
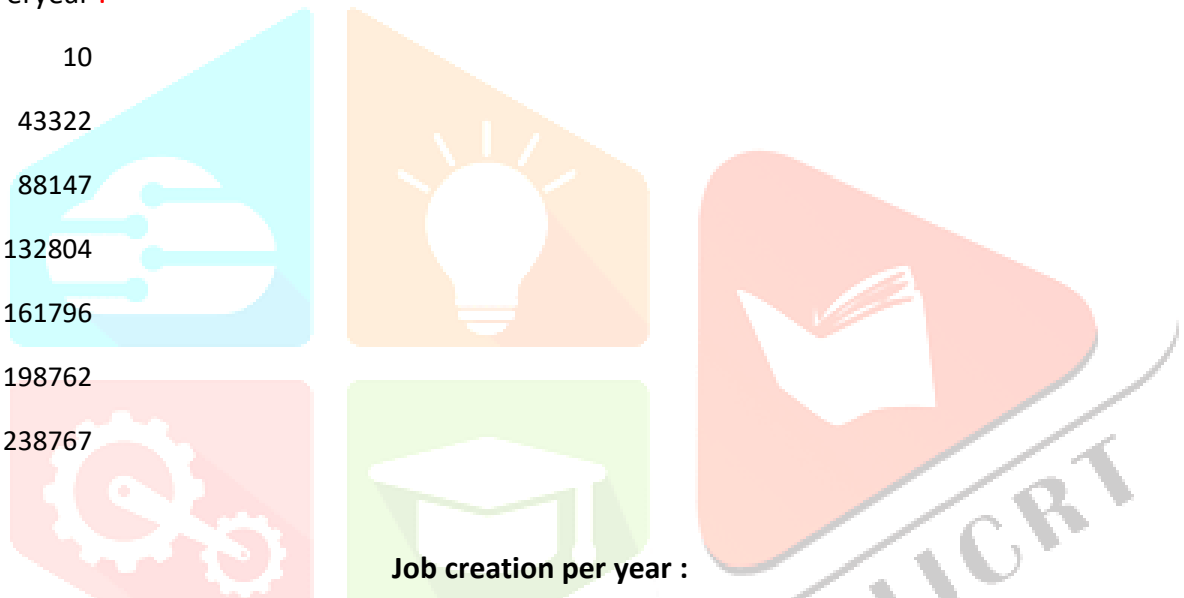
- ❖ .... Start-up has been recognised.
- ❖ \*(more than 99000 by 31st may 2023)(approximation )
- ❖ Most start ups have started in 2021.
- ❖ Strat-up are growing every year at a positive rate.

➤ **Provide employment:**

When entrepreneurs become through start-up, their idea gets converted into business, then they are not only self-employed, but they also provide employment opportunities to other people.

JobcreationPeryear :

2016	10
2017	43322
2018	88147
2019	132804
2020	161796
2021	198762
2022	238767



(Source =DPIIT)

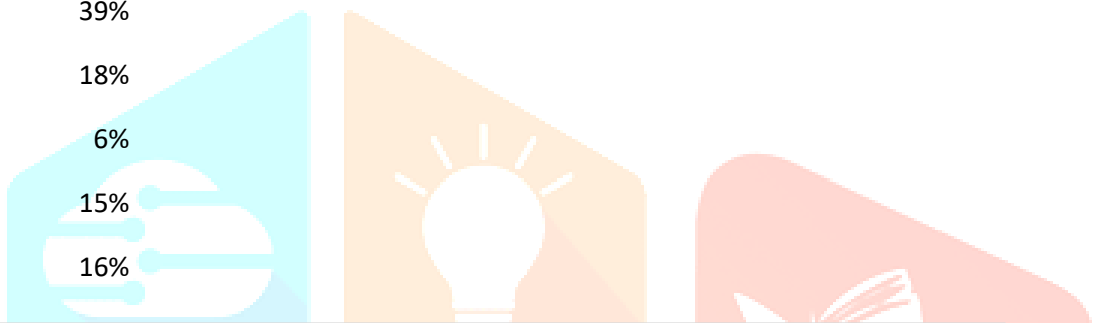
- ❖ START UP has generated 86360 lakh jobs till Dec.2022.
- ❖ Start-up is providing an average of 123373 lakh jobs every year.
- ❖ Maximum employment has been provided by START UP in 2022.

8. (ii) INCREASED UNICORN START UP IN INDIA :

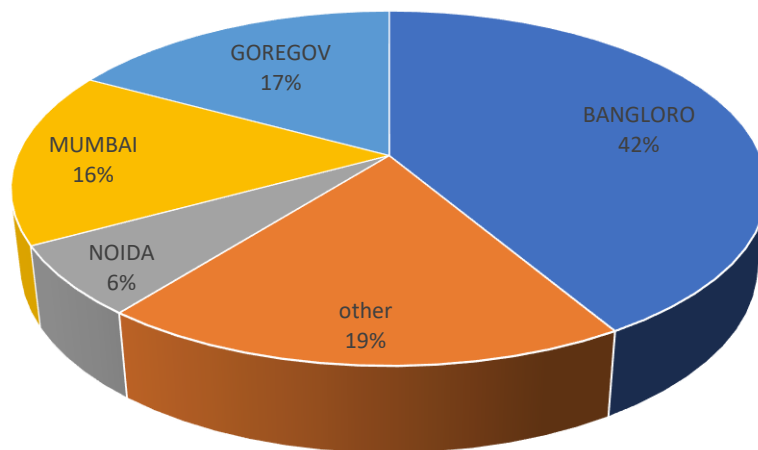
“.The term "UNICORN" was coined by Aileen Lee in 2013. UNICORN is a company whose valuation has reached or crossed \$1 billion. UNICORN is a high-growth company and along with this it also generates employment in large amounts. There are 108 UNICORN start-ups in India as of 31st May 2023.

**CITYWISE UNICORN :** (saroy,R.,etal.2023)

CITY	UNICORN
BANGLORO	39%
other	18%
NOIDA	6%
MUMBAI	15%
GOREGOV	16%



UNICORN (IN PERCENTAGE )



key point :

- Most UNICORN company are from bangalore. Which is about 39% of the total UNICORN.
- Goregov (16%) and Mumbai (15%) come on the second and third place.
- On average ... company has got the status of UNICORN per year .

Year	Unicorn per year
UPTO 2015	11
2016	13
2017	15
2018	24
2019	31
2020	42
2021	86
2022	107
2023	108



(Saroy,R.,et al.2023)

- ✓ The year 2021 was very remarkable for Unicorn because this year total .... company got the status of UNICORN whose total valuation was around
- ✓ Out of 108 unicorns in India, Bangalore is at the top with the highest number (39%). After that Gurogov (16%) and MUMBAI (15%) have got the status of unicorn.
- ✓ Unicorn has maximum start-ups in finTech, IT service, and E-commerce sector.
- ✓ As of 31st May 2023, there are 108 UNICORN in India whose total valuation is \$340.89 billion.



**CONCLUSION:**

It is evident and the same thing facts also say that the START UP INDIA initiative has encouraged entrepreneurs. Because ever since the start-up initiative started, till date in these 7 years (2016 to 2023) more than 99000 start-ups have been recognized and they are increasing every year through this start-up 863608 lakhs Employment has been provided to the people. Start-up is contributing 4.5% to the Indian GDP, Apart from this, new entrepreneurs have been taken a loan in huge amount for start-up, a 500cr guarantee package is being provided, and start-up has increased UNICORN company number 11 From 108 . START UP has supported new entrepreneurs in every aspect of business like finance, social, legal etc.

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