

INDIAN STARTUP: NEW OPPORTUNITIES & CHALLENGES FACED BY ENTREPRENEUR

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Abstract:

The destinations of a startup are to work for oneself and to make work to others which warrants parcel of continuance and penance. Enormous populace with high level of center salary gathering, taught youth with specialized foundation, IT mastery, high web and versatile entrance are a portion of the drivers that have hurled open doors for spreading startup transformation in India. The 'Make-in-India' activities and other government plans have additionally given a lift to new businesses with numerous people entering the brawl. Beginning an endeavor is a very much arranged and trained exercise with due thought of both inner and outside elements that may affect the manageability of the endeavor. The thought behind the endeavor, showcase size, income and benefit targets are a portion of the significant variables that should be obviously characterized before setting out on the voyage. Time, collaboration and persistence are significant components which decide enterprising success. Infrastructure, government guidelines and accessibility of money at different phases of development could be a portion of the difficulties for new businesses. Truth be told, history is packed with instances of new companies which started with large exhibit yet finished as soggy squibs inside a limited capacity to focus time because of different reasons. The paper talks about not many issues and difficulties that an Indian startup needs to confront and the open doors that the

nation can give in the present biological system.
Watchwords: Entrepreneur, Employment, Finance, 'Make-in-India', Startup.

Keywords: *Indian Startups, Startups Innovations, Challenges and Issues, Digital Marketing, Social Media Marketing*

Introduction

On 16 January 2016, the Government launched the 'Startup India' program with a stated objective to build a strong ecosystem for nurturing innovation and startups in the country that would drive sustainable economic growth and generate large scale employment opportunities. It comprised of 19 action items spanning across three key areas of 'simplification and handholding', 'funding support and incentives', and 'industry-academia partnerships and incubation'.

Under the provisions of this plan, startups were entitled to a number of benefits such as tax incentives including capital gains tax exemption, Governments' assistance in funding, prioritization of startups in public procurement, etc. The benefits above included a provision for startups to avail assistance of a self-certification compliance system with respect to labour and environmental laws and exemption from any inspections of their place of business. The action plan also envisaged a common platform for stakeholders to interact, facilitation for funding support, and partnership with academia and private sector entities. Some other key benefits that the Action Plan included were entitlement to an 80% rebate in patent registration fees as well as a 50% rebate in

trademark filing. Startups could also benefit from faster exit norms and free of cost assistance provided by patent and trademark facilitators in filing for Intellectual Property Rights (IPRs).

Literature Review

Abhishek Sinha, the Co-Founder and CEO of Eko India Financial Services was of the view that the Prime Minister seated with entrepreneurs on a national platform are very positive signals. However, small problems such as bank funding in the lack of any collateral turn out to be big roadblocks for many entrepreneurs. He stated that we cannot have a long list of intangibles in our balance sheet. There has to be an acknowledgement that IT products are being created. Banks are careful while giving out loans. When we started out, we had to depend on loans and credit cards. According to Jayant Sinha, Minister of State for Finance at present, 90 percent of funding comes from foreign venture capitals and domestic financiers could change the nature of innovation as well. In a recent study by Grant Thornton, it was revealed that in 2015 more than 600 such companies got funding, with over \$2 billion deployed by PE and VC funds. Ramesh Abhishek, Secretary of DIPP stated that the Government could still benefit from more learning. He said that there have been tax benefits and provisions of funds have been launched. Government is making some tweaks so that it makes Startup India easier. According to him, the government has a long way to go. It has been a great learning experience even for the Government. He said that they themselves had to understand a lot of things in regulations and startups are the next big thing and they want to engage with startups.

Role of Government

The Ministry of Human Resource Development and the Department of Science and Technology have agreed to partner in an initiative to set up over 75 such startup support hubs in the National

Institutes of Technology (NITs), the Indian Institutes of Information Technology (IIITs), the Indian Institutes of Science Education and Research (IISERs) and National Institutes of Pharmaceutical Education and Research (NIPERs). The Reserve Bank of India said it will take steps to help improve the „ease of doing business“ in the country and contribute to an ecosystem that is conducive for the growth of start-up businesses.

Investments in Startup SoftBank, or, in other words Japan, has put \$2 billion into new Indian companies. The Japanese firm had vowed the aggregate ventures at \$10 billion. Google announced to dispatch a startup, in view of the most elevated votes in which the main three new businesses will be permitted to join the following Google Launch pad Week, and the last champ could win a measure of \$100,000 in Google cloud credits. Pradhan Mantri Mudra Yojana is likewise one of the comparable activities to renegotiate the small-scale units.

Initiative Taken by Government

Refund: A refund measure of 80 percent of the aggregate esteem will be given to the business people on recording patent applications. Simple standards of open obtainment and tenets of exchanging have been rearranged for the new companies.

Quicker exit: On the off chance that a start-up fizzles, the administration will likewise help the business visionaries to discover reasonable answers for their issues. If they bomb once more, the administration will give a simple way out.

Atal Innovation Mission: The Atal Innovation Mission will be propelled to help advancement and empower capable young people.

Setting up hatcheries: A private-open association show is being considered for 35 new hatcheries and 31 development focuses at national foundations.

Research parks:The administration intends to set up seven new research parks, incorporating six in the Indian Institute of Technology grounds and one in the Indian Institute of Science grounds, with a venture of Rs 100 crore each.

Enterprise in biotechnology:The administration will additionally build up five new biotech groups, 50 new bio hatcheries, 150 innovation exchange workplaces and 20 bio-interface workplaces in the nation.

Committed projects in schools: The legislature will present advancement related projects for understudies in more than 5 lakh schools.

Legitimate help:A board of facilitators will give legitimate help and help with submitting patent applications and other authority reports.

Self-accreditation: The new companies will embrace self-accreditation to decrease the administrative liabilities. The self-affirmation will apply to laws including instalment of tip, work contract, provident reserve administration, water and air contamination acts.

Start-up India center point: An all-India center will be made as a solitary contact point for start-up establishments in India, which will assist the business people with exchanging learning and access money related guide.

Simple Registration: An online entry, in the state of a versatile application, will be propelled to enable begin to up organizers to effectively enroll. The application is planned to be propelled on April 1.

Patent security: A most optimized plan of attack framework for patent examination at lower costs is being conceptualized by the focal government. The framework will advance mindfulness and selection of the Intellectual Property Rights (IPRs) by the start-up establishments.

Corpus Funds of Rs. 10,000 crores to help start-up: The legislature will build up a reserve with an underlying corpus of Rs 2,500 crore and an

aggregate corpus of Rs 10,000 crore more than 4 years, to help forthcoming start-up endeavors. The Life Insurance Corporation of India will assume a noteworthy job in building up this corpus. A board of private experts chose from the start-up industry will deal with the reserve.

National Credit Guarantee Trust Company: A National Credit Guarantee Trust Company (NCGTC) is being conceptualized with a financial plan of Rs 500 crore for every year for the following four years to help the stream of assets to new businesses.

No Income Tax for a long time: New businesses would not make good on Income Government expense for a long time. This approach would alter the pace with which new business would develop later. With an average age of 28, India's entrepreneurs rank among the youngest in the world. India is the third largest startup country.

Opportunities for the Indian startups:

Despite different sorts of obstacles, new Indian companies can in any case access an assortment of chances for building up their organizations. A portion of the critical open doors accessible for new Indian businesses are being talked about underneath:

The population of the country: This is a well-established actuality that India has an extremely enormous populace which is developing step by step. In addition, the greater part of the Indians has a place with the classification of working-class salary gatherings. Subsequently, an enormous customer base gets shaped in the nation. This opens the open doors for the startup adventures which can concentrate on pulling in gigantic number of buyers in India.

Investments by foreign and domestic investors: In the previous scarcely any years, there has been an expansion in both household and remote speculations on innovative endeavors. India is viewed as one of the significant attractions for

speculation by the outside speculators. This is an immense open door for different new companies in India for developing their business further.

Changing of mindsets: These days, most of the individuals have surrendered the customary attitude of winning just through occupations. Numerous youngsters have begun indicating enthusiasm for going into business with the assistance of most recent innovation and developments. This has brought about the improvement of various startup adventures in the nation.

Increasing initiatives by the Government: The Government of India has received different measures and approaches for empowering and building up the new businesses in the nation. For example, the Government has presented the MUDRA Yojna, E – Biz Portal, SETU finance and numerous others for helping startup adventures.

Challenges:

Although the Startup India programme and its initiatives are an excellent idea for Indian startups, there are certain loopholes in the scheme and other areas in the implementation mechanism. In addition to this, the start-ups will have to prove that their innovation has significantly improved existing processes to be eligible for various schemes and exemptions. Also, there would still be Government interference in the self-certification process as there is no self-certification whereby the startups can judge that their "improvement" is "significant". It is also beyond understanding as to why the benefits from such schemes cannot not be extended to all startups in the nation depending upon a specific transparent criterion. Apart from this, it is not the Government but the market that should identify innovation whereas the Government should try and place emphasis on creating conditions for innovation. It is also highly possible that the income tax exemption will be made available only

to those vetted by an inter-ministerial panel which is against the intention stated by the Government to remove exemptions in corporation tax and to close various loopholes in the system. Rather than income tax exemptions, there could be increased focus regarding the simplicity of compliance with tax requirements. Investments in startups have been exempted from long-term capital gains mainly to improve the ease of investing in startups which will need to be watched carefully especially against real estate manipulators.

Findings and Conclusion:

In short, PM Modi's entire Action Plan offers various opportunities for all types of start-ups in India thereby aiming to give a small push to new innovative businesses and provide them assistance in establishing their business. The Government also aims to minimize regulatory barriers in setting up startups despite facing certain major challenges like elimination of unscrupulous entities. Apart from this, there are some other grave concerns relating to the certification of start-ups' "innovation" by Government authorities.

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