



STARTUP INDIA-CHALLENGES AND OPPORTUNITIES

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ABSTRACT:

This paper revolves around the Start up India initiatives which simplifies the work of the new entrants in the areas of employment and wealth creation. This Start up Program widely encourages job availability and entrepreneurship. This paper revolves various benefits, Growth in areas of business classified under technology, health, media and energy will be discussed along with Direct Foreign Investments in India. This also focuses and provides insight on the Blue ocean strategy which is about creating and capturing uncontested market space, thereby making competition irrelevant.

KEYWORDS:

STARTUPS, ENTREPRENEURSHIP, EMPLOYMENT.

INTRODUCTION:

Startup India is an initiative of the government of India. The campaign was first announced by the Indian Prime Minister, **NARENDRA MODI** during his **15th August 2015** address from the Red Fort, New Delhi.

The action plan of this initiative is based on the following 3 pillars:

- i. Simplification and hand holding ;
- ii. Funding, supporting and incentives ;
- iii. Industry-Academia partnership and incubation ;

BENEFITS:

FINANCIAL BENEFITS: Startups will get an 80% rebate on patents costs. When a startup applies to a patent, the government will come to its aid by funding the defense of the patent. The company will get an 80% rebate n the fees. The government will pay the fees to the facilitator and helps to obtain the registration process.

REGISTRATION BENEFITS: The government launched a **mobile application on 1st April 2016**, along with the portal to allow companies to register in a day. A single point of contact hs been set up for all registration based queries at the startup hub.

INCOME TAX BENEFITS: I-T exemption is available for first 3 years post-registration under this scheme.

SPECIAL BENEFITS:

- Startups in the manufacturing sector are exempted from adhering to the criteria of 'prior experience' or 'turnover'.
- Guaranteed funds through National Credit Guarantee Trust or SIDBI over 4 years
- No inspection for the first 3 years regarding labour laws.
- Environment law compliance is required only only-self certification.
- Closure/ winding up will be quicker process- Just in 90 days.

GROWTH OF BUSINESS SECTORS AFTER STARTUP INDIA HUB:

1. TECHNOLOGY:

- Forecasted Revenue Growth : 1.9%
- Forecasted job growth 2016 to 2026 : 120%
- Stock Market 10 year gain : 295.88%
- Best sub-sectors : Cloud computing, Machine learning

2. HEALTH:

- Forecasted Revenue Growth : 2.3%
- Forecasted job growth 2016 to 2026 : 121%
- Stock Market 10 year gain : 185.31%
- Best sub-sectors : Biotechnology

3. ENERGY:

- Forecasted Revenue Growth : 8.1%
- Forecasted job growth 2016 to 2026 : 115%
- Stock Market 10 year gain : 9.07%
- Best sub-sectors : Oil and Gas, Mining

4. MEDIA:

- Forecasted Revenue Growth : 1.8%
- Forecasted job growth 2016 to 2026 : 109%
- Stock Market 10 year gain : 211.77%
- Best sub-sectors : Gaming

5. CONSUMER RETAIL:

- Forecasted Revenue Growth : 1.2%
- Forecasted job growth 2016 to 2026 : 103%
- Stock Market 10 year gain : 186.72%
- Best sub-sectors : E-commerce, pop-up retailers

FOREIGN DIRECT INVESTMENT IN INDIA:

A startup is an entrepreneurial venture which is a newly emerged business venture that aims to meet a marketplace need, want or problem by developing a viable business model around products, services and processes or platforms. It is a company that is in the first stage of its operations. These companies are initially funded by their entrepreneurial founders. The Indian government has come up with the STARTUP INDIA SCHEME to boost innovation and technology oriented business in India. Under this scheme, the startups are provided with various benefits such as tax exemption, fast track and upto 80% rebate in patent applications and investment through Alternate Investments Funds and other schemes of the Indian Government.

INNOVATIVE FOCUS ON STARTUP INDIA:

The India Innovation Growth Program (IIGP) 2.0 is a unique tripartite initiative of the Department of Science and Technology (DST), Government of India Lockheed Martin and Tata Trusts.

Supporting the government of India's mission of "STARTUP INDIA" and "MAKE IN INDIA", IIGP 2.0 enhances the Indian Innovation ecosystem by enabling innovators and entrepreneurs through the stages of ideation and innovation, to develop technology-based solutions for tomorrow.

CHALLENGES OF RURAL DEVELOPMENT AND SERVICES IN STARTUP INDIA:

Rural development is a topic that is pretty easy to understand but hard to implement. It focuses upon the upliftment and development of the sections of rural economies, that experience grave poverty issues and effectively aims at developing their productivity. It also emphasizes the need to address various pressing issues of village economies that hinder growth and improve these areas. Some areas that need urgent attention for Rural

DEVELOPMENT IN INDIA ARE:

- Public health and sanitation
- Literacy
- Female empowerment
- Enforcement of law and order
- Land reforms
- Infrastructure development like irrigation, electricity, etc.
- Availability of credit
- Eradication of poverty

BUSINESS OPPORTUNITIES OF YOUNG MINDS IN INDIA:

Indian economy is growing more than 7% YOY and one of fastest growing. India has one of largest aspiring customer pool with high speed moving towards digital world. In current Indian scenario there are many good business opportunities in digital world, health care, education, financial sector, food processing sector, construction sector, service sector, sanitation, water etc. Startup India, skill India, doubling farmer income, digital India etc. are many schemes which are creating new opportunities for young entrepreneurs.

HUMAN RESOURCE MANAGEMENT IN ENTREPRENEURSHIP:

A study was conducted and examined that the impact of Human Resource Management on Entrepreneur development. Entrepreneurship development was conceived as a generic process, dominated by creativity and innovation due to the fact that both concepts builds on previous knowledge and may be a combination of existing knowledge or may be able to move past barriers of existing knowledge to generate and explore new ideas and solutions. Hence, The HRM department must deploy their

workers to the department where they can perform more efficiently and ensure that workers receive proper training and development through a deliberate insight on how to increase productivity and assisting with better employee assessment, selection and reduction in HR overhead cost.

USE OF ICT IN ENTREPRENEURSHIP:

The advent of information technology has changed all the aspects of the world in the third millennium to a great extent and the entrepreneurship in particular. The world is fast entering the information age, which in result, is changing the way business and people communicate, transact and behave. The advancement of Information and Communication Technology (ICT) helping businesses and people to use new technologies and Information Systems (ISs) in transactions and information exchange. The common characteristics of entrepreneurship and employment other than their uniqueness and environment are:

- Innovativeness in converting ideas to reality,
- Risk taking,
- Pro-activeness in sense of doing,
- Learning from failure and success ;

The role of ICT is only means to create meaningful effect on increasing RICH and REACH of common characteristics of entrepreneurship and employment.

BLUE OCEAN STRATEGY:

Blue ocean strategy is the simultaneous pursuit of differentiation and low cost to open up a new market space and create new demand. It is about creating and capturing uncontested market space, thereby making the competition irrelevant. It is based on the view that market boundaries and industry structure are not a given and can

be reconstructed by the actions and beliefs of industry players.

Blue oceans, denotes all the industries not in existence today – the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid.

In blue oceans, competition is irrelevant because the rules of the game are waiting to be set. A blue ocean is an analogy to describe the wider, deeper potential to be found in unexplored market space. A blue ocean is vast, deep, and powerful in terms of profitable growth.

CONCLUSION:

It is concluded that STARTUP INDIA plan will help to show the talent of our country's youth through the business through business. All institutes including Indian Institute of Technology, Central Universities, Indian Management Institute etc. need to spread awareness about this program so that they can be connected directly through this scheme in the future. This scheme will help the people directly to open their successful industries. This is an impressive campaign that opens more employment gates for the Indian youths.

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