



SHRI RAM COLLEGE OF COMMERCE



Startups Restoring The Indian Economy?- A Study on Impact of Startups on The Indian Economy

Arihant Jain

The Initiative to Boycott Chinese Goods

Kuhikaa Vaishnavee Arora

India and Its New States: An Analysis of Performance of Divided States - Pre and Post Bifurcation

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Goods and Services Tax: Its adoption and challenges faced

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Accentuating Corporate Compliances: A Trade-off Between Pellucidity and Ease of Doing Business

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Are Central Banks creating the next Financial Crisis?

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Agricultural Loan Relinquishment: An Economic Distress?

Chirayu Vijaywargiya & Yash Kumar Singhal

STRIDES

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Principal's Message

The mission statement of the College, signifying the existence and its road map to the achievement of its vision, reads as:

"To achieve and sustain excellence in teaching and research, enrich local, national and international communities through our research, improve skills of alumni, and to publish academic and educational resources"

To achieve and promote excellence in publications and applied research, the College has taken the initiative to launch a new journal exclusively to publish students' research papers and articles. It will be an add-on to the enriched catalogue of College publications and academic literature.

The journal has provided an opportunity to the students of our college to focus on research. Since the students were not opened to the research methodologies at the undergraduate level, they were mentored by experienced senior faculties of our College. Simultaneously, their articles were also reviewed by the referees and tested for plagiarism before publication. After reporting all the suggestions recommended by the referees, the articles were revised and then finally published. The College had successfully released the foundation issue of the journal **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** on the occasion of 91st Annual Day



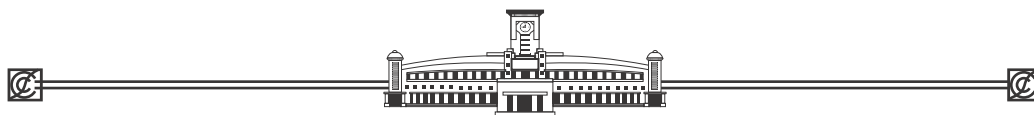
of College held on 13th April 2017. The Journal was released by Shri Prakash Javadekar, Honb'le Minister of Human Resource Development, Government of India.

The college has already applied for seeking International Standard Serial Number (ISSN) for the Journal. The application for ISSN is still under process.

I would like to congratulate the students whose papers are published in this issue of the journal and simultaneously encourage all the students to contribute their research papers and articles for the successive issues of the Journal.

Best wishes for their future endeavors.

Prof. Simrit Kaur
Principal



Editor's Message

Shri Ram College of Commerce is well known for its academic excellence and dedicated approach towards dissemination of knowledge in the academic world. The College appreciates the role of research in education and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the College has taken the initiative to launch a new Journal named 'Strides – A Students' Journal of Shri Ram College of Commerce' to encourage students to pursue research under the guidance of the faculty of Shri Ram College of Commerce.

It is a bi-annual journal launched exclusively to publish academic research papers and articles by the students on contemporary topics and issues in the area of commerce, economics, management, governance, policies etc.

In order to maintain high standards of publication, the Committee on Publication Ethics (COPE) has been constituted. The COPE shall be the apex authority to take all decisions related to publication of research papers and articles in Strides. The decision of the COPE shall be final and binding.

To maintain high academic standards, academic ethics and academic integrity, a rigorous process of double blind review of research papers is followed along with screening for plagiarism of each



manuscript received by the college for publication. The research work published in Strides is original and not published or presented at any other public forum.

The foundation issue of the Journal i.e. **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** was successfully released on 91st Annual Day of the College held on 13th April 2017 by Shri Prakash Javadekar, Hon'ble Minister of Human Resource Development, Government of India.

The successive Issues of 'Strides – A Students' Journal of Shri Ram College of Commerce' shall be bi-annually released.

Dr. Santosh Kumari
Editor



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Startups Restoring The Indian Economy?- A Study on Impact of Startups on The Indian Economy

*"The sun moves in its own orbit but holding earth and other heavenly bodies in a manner that they do not collide with each other through force of attraction."
(Rig Veda 1.35.9)*

This proves that Indians started working towards innovation and development long before the world even started to think about it. Also, India possesses a big class of mercantile community known as Bania (Vanik) or Vaishya, who has been doing business for countless generations. Hence, a combination of innovation and business i.e. an entrepreneur is present in the blood of Indians from time immemorial. After independence when the Indian economy was completely ruined and heavily indebted up to the neck (if not up to the nose) by many countries & international banks. At that time, most of the industries & enterprises in India were dominated by the government sector. During that crucial moment, globalization happened and the giant multinational companies entered into Indian economy and transformed the economy completely. History is now repeating itself but, this time, startups might come to rescue the Indian economy.

Mentor

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With favourable demography, the culture of entrepreneurialism and open economic environment, India is highly conducive to entrepreneurial activity. However, India's startup economy has not been able to reach full maturity and most startups die in their infancy.

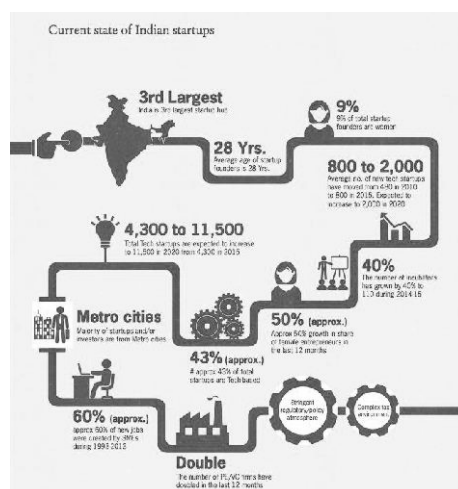
This paper gives the fundamental points of interest to put the present startup environment which is innovative inside the Indian setting and feature a portion of the related difficulties confronting India today by contrasting policies of various nations and states to discover which of it is most positive and depicts endeavours that is made by the legislature of India towards the upgradation of innovation for developing startup ecosystem.

INTRODUCTION

According to the government notification, an entity will be identified as a startup if it is working towards development, commercialization and innovation of new products, services or processes driven by intellectual property or technology.

A flood of business enterprise has been clearing crosswise over India. The accomplishment of new companies like Flipkart, Snapdeal, Paytm, Ola and others has veered the talk towards high valuations. Be that as it may, what we generally observe is particularly a hint of a greater challenge. Behind each high valuation of today is an account of blood, sweat, drudge and tears. For each business visionary who has a stunning example of overcoming adversity to tell, there are endless other people who have fallen by the wayside. The going has regularly been a long way from the assumed sentiment of thinking outside the box, upsetting the request and changing the world. It is a want to change the world that drives effective business visionaries, for only they have the visually impaired energy that is regularly the distinction amongst progress and disappointment, and they are the ones who cherish the trip more than the goal. The advanced new businesses, the unmistakable ones at any rate, are a result of a reasonable need. They take care of genuine issues.

India is a nation with more than 1.2 billion individuals, 31% of which i.e. 379 million are between the ages of 18 and 35 (According to Census Report, 2011). What's more



exciting is that a large number of these youngsters are looking for jobs, in spite of being educated. For instance, only one in four urban people under 29 years is utilized despite the fact that they hold no less than a diploma or certificate (National Sample Survey Office Report, 2013). The point of the government has been to make business doors open for youth while concentrating on fast economic growth. Building startup favourable environment is one of the components taken up by the Government of India towards the making of openings for work. The government have expected that support for innovation and development will enhance entrepreneurship development and instil an entrepreneurial spirit in the minds of the youth, which will, in turn, accelerate economic growth and development.



In March 2010, Mrs. Pratibha Patil, twelfth President of India, reported the governments's vision by proclaiming the present decade as the "Decade of Innovation" (Nation Innovation Council, 2010). There have been striking endeavors taken by the government by declaring favorable strategies and furthermore endeavors by different government divisions towards satisfying the above vision.

The Government has also started an initiative, "Startup India", with the expectation to construct a strong eco-system for nurturing grass root level startups with innovation in the country that will generate large scale employment opportunities and drive sustainable economic growth. The Government through this initiative aims to empower Startups to grow through their design and innovation.



This paper gives the fundamental points of interest to put the present startup environment which is innovative inside the Indian setting and feature a portion of the related difficulties confronting India today by contrasting strategies of various nations and states to discover which of it is most positive and depicts endeavours that is made by the legislature of India towards the upgradation of innovation for developing startup ecosystem.

Problem Statement

With favourable demography, the culture of entrepreneurialism and open economic environment, India is highly conducive to entrepreneurial activity. However, India's startup economy has not been able to reach full maturity and most startups die in their infancy. More active engagement between established organizations & startups can help the later harden their business models, jump into the big leagues and accelerate growth while enabling established companies to bring in the entrepreneurial spirit of

innovation and swiftness. The mutual success of startups and companies will drive India towards a more dynamic future by creating more jobs and boosting the economy.

Objectives

1. To establish whether startups can revive the GDP growth rate back to 8-9%.
2. Motivate people to build a robust Startup eco-system in the country for nurturing innovation and providing opportunities to budding entrepreneurs.
3. To foster a sense of competitiveness & propel the state and union territories to work proactively and identify replicable best practices from different states and countries.

Methodology

1. Measurability: Measuring the impact of startups on the economy by measuring the contribution of startups to the entire economy on one hand and measuring the economy growth indicators like GDP, Per-capita income on the other and drawing a co-relation between both.
2. Comparing across states and countries: Comparing the policies of various states in the country and comparing the country as a whole with other economies of the world.
3. Measuring the effectiveness of various schemes launched by the government. RTI's have been filed to get the accurate information from the Ministry of Commerce and Industry.

Growth and Entrepreneurship: Related or not?

The year 2015 completed with the number of startups reaching 3,500 which had helped in creating 80,000 new employment opportunities and adding to the Indian economic growth story immensely.

However, this takes us to a major question- Is having startups a guaranteed sign of a having a better economy or is it a lopsided situation?

An outsider's view of entrepreneurship would obviously be biased towards its potential and usefulness in increasing the state's economic growth. After all, more entrepreneurs mean more businesses, more businesses mean more competition, more jobs and of course more innovation. However, the reality is much more complicated than it actually seems to be.

Let us now analyse whether growth and entrepreneurship are related or not. To measure growth we consider GDP of the country in various years and to consider the entrepreneurial activity we consider new businesses registered.

Year	GDP	New Business Registered ^[1]
2006	920316529729.747	20000
2007	1201111768410.27	51700
2008	1186952757636.11	84800
2009	1323940295874.06	46000
2010	1656617073124.71	64900
2011	1823049927772.05	70450
2012	1827637859136.23	99587
2013	1856722121394.42	NA[2]
2014	2035393459980.06	98029

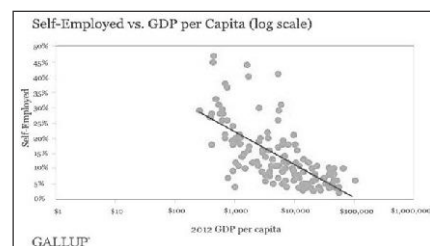
Co-Relation^[3] analysis of GDP and number of new business registered

Co-Relation test proves that there is a positive relation between number GDP and the number of new business registered. This is the traditional result of how the growth in GDP is closely related to the growth in the number of new businesses registered. However, in recent times some studies which have been explained below have revealed that the relationship between per capita income (a major indicator of economy) and entrepreneurship is mostly negative. Research done by The Gallup Organization, the US Census Bureau and Bureau of Economic Analysis show a negative correlation between entrepreneurship and the growth-inflated GNP.

		X	Y
X	Pearson	1	.772*
	Correlation		
	Sig (2-tailed)		.025
	N	8	8
Y	Pearson	.772	1
	Correlation		
	Sig (2-tailed)	.025	
	N	8	8

A Contrast

Policymakers, while framing policies frequently look entrepreneurship as an way to increase the income of the inhabitants of their nation by proposing policies intended to empower entrepreneurial activity in the nation. While distinctive authorities have made diverse arguments, at the most basic level the common thought is boosting the rate of business development will make the economy more developed and will boost per capita income.



Unfortunately, those in the matter of forming policies for economic development have misunderstood the connection between societal wealth and entrepreneurship. Rates of

entrepreneurship will probably be the impact of wealth on the general public than the cause. Likewise, the connection between entrepreneurial activity and per capita income is for the most part negative, instead of positive which is regularly accepted to be simply the connection amongst self-employment and GDP.

The Gallup Organization demonstrates the pattern in the figure on the top. Examiners at the research association looked at per capita GDP with the division of the populace that reported self-employed in each of 135 nations. As Gallup's graph appears, the GDP per capita has a negative straight association with the populace that is independently employed. That is, independent work rates are higher in poor nations than in rich ones. Gallup's examination isn't the just a single report that demonstrates a negative connection between levels of per capita income and rates of entrepreneurship. Information from the U.S. Census Bureau and Bureau of Economic Analysis demonstrate a comparable sort of pattern. Between 1977 and 2011, the quantity of new employer business founded every year declined by 49 percent while in the meantime real per capita income rose by 79 percent in the United States. This demonstrates that as the United States has turned out to be wealthier, the rate at which individuals have begun their own company in this nation has declined.

Over time, a few investigators have discovered that there is a negative connection between's the growth of inflation-adjusted gross national product in the Organization for Economic Cooperation and Development (OECD) nations. Other investigations demonstrate a negative relationship between rates of business formation across metropolitan statistical areas (MSA) in the United States and economic development. Those MSAs that have encountered more economic growth lately have likewise experienced lower rates of new business formation than those MSAs that have seen less growth in the economy.

Rates of entrepreneurship are adversely identified with development in wealth since rising wages make work openings more lucrative than maintaining one's own particular business. In poorer regions where there are only a couple of lucrative occupations, many individuals swing to business to procure a living. Rising income prompt to lucrative occupations in many regions. The improvement of more lucrative contrasting options to maintaining one's own particular business prompts many individuals changing from independent work to wage work in this manner, driving down the rate of entrepreneurship. Gallup's current investigation and the many examinations that have gone before it exhibit a wakeup call for policymakers who believe that entrepreneurship is a silver shot to raise wages and change economies. The information demonstrates that the rates of entrepreneurship or independent work are adversely connected with GDP or wealth of the occupants in light of the fact that wealthier spots offer individuals better work choices than maintaining their own organizations in which the risk is higher.

However, both the analysis point to the fact that state policies can be of help in one way or the other to increase the GDP of the country. So, now let us analyse the policies of different states to promote startups and the role that they play.

States Startup Policies

With India being a federally structured nation, the states have a vital role to play in promoting Startup ecosystems. The core functioning of enabling ecosystem in a State / Union territory is a function of the structures / framework put in place by the State/Union territory along with the implementation of the structures.

This section of the research paper is based on the analysis of various state policies collected at the 2nd Startup India States Conference organized by Ministry of Commerce and Industry. I have analysed the startup support offered by various states and tried to co-relate it with the number of startups present in the state.

State	Sustenance Allowance ^[4]	Marketing Assistance	Cost of Statutory Licenses	Interest Reimburs ^[5] -ement	Patent[6]	Fund of Fund ^[7]	Raw Material Assistance
Andhra Pradesh	√	x	√	x	x	√	x
Bihar	x	x	x	x	√	√	x
Chhattisgarh	x	x	x	x	x	x	x
Goa	x	x	x	x	x	x	x
Gujarat	√	√	√	x	x	x	√
Jharkhand	x	√	√	x	x	√	x
Karnataka	x	√	√	x	√	√	x
Kerala	x	√	√	x	√	√	x
Madhya Pradesh	x	√	x	√	√	x	x
Odisha	√	√	x	x	x	√	√
Rajasthan	√	√	x	x	x	x	x
Telangana	x	√	√	x	√	√	x
Uttar Pradesh	√	√	x	x	x	√	x
Uttarakhand	x	x	√	x	√	x	x
West Bengal	x	x	x	x	√	x	x

Table: Areas in which assistance is provided to startups in different states

The tick mark represents that the state has provided some sort of support to the startups working in their state under the particulars stated above. The importance of this analysis is to foster a sense of competitiveness & propel the state / Union territory to work proactively and also to help the other states replicate best practices in their states.

State	Number of startups recognized in state (X)	Number of fields in which assistance is provided (Y)
Andhra Pradesh	75 +	3
Bihar	70 +	2
Chhattisgarh	60 +	Nil
Goa	N.A.	Nil
Gujarat	175 +	4
Jharkhand	25 +	3
Karnataka	550 +	4
Kerala	125 +	4
Madhya Pradesh	100 +	3
Odisha	75 +	4
Rajasthan	100 +	2
Telangana	200 +	4
Uttar Pradesh	240 +	3
Uttarakhand	N.A.	2
West Bengal	100 +	1



Co-Relation analysis of number of startups recognized in the state and number of fields in which assistance is provided

Co-Relation test proves that there is a positive relation between the number of startups recognised in the state and number of fields in which assistance is provided. It proves that if states focus more on the establishment of facilities and provide incentives, it will provide a fertile ground for budding startups to flourish. This has been made after considering only 7 parameters mentioned above but there are many other parameters like incubation support, rent and utility bills which can be considered for finding the relation between number startups recognized in the state and number of fields in which assistance is provided

4		X	Y
X	Pearson Correlation	1	.395
	Sig (2-tailed)		.203
	N	12	12
Y	Pearson Correlation	.395	1
	Sig (2-tailed)	.203	
	N	12	12

In statistics, the Pearson correlation coefficient also referred to as the Pearson's r , Pearson product-moment correlation coefficient (PPMCC) or bivariate correlation, is a measure of the linear correlation between two variables X and Y.

While carrying out the analysis the number of startups have been taken as a whole number and + sign have been ignored. Also, the states for which the data is not available has not been considered. Only 7 above mentioned fields have been considered for this analysis but there are various other fields which can be considered.

International Comparison

The Indian startup ecosystem has come a long way in recent couple of years with the government doing its part through different initiatives, for example, Startup India, to advance new businesses however there is unmistakably far to go even at this point.

Table: A comparison of startup ecosystem across different countries

	Number of Startups	Tech Based	Non-tech Based	Corporate tax rate	No. of days to set up business	Bank lending rate	No. of tax payment by businesses
India	10,000	4,300	5,700	34%	33	10.3%	33
Israel	4,750	4,000	750	26%	13	3.9%	TBD
China	10,000	3,400	6,600	25%	30	5.6%	9
US	83,000	48,500	34,500	39%	4	3.3%	11
Japan	N.A.	N.A.	N.A.	34%	10	1.2%	TBD
Singapore	N.A.	N.A.	N.A.	17%*	2	5.4%	TBD
*100% exemption for startups							

India is among the five best nations in terms of startups. The US ranks first on the list with 83,000+ startups. There are around 10000 startups in India as per NASSCOM.

In the Technology-based startups, maximum concentration is in E-Commerce sector where 33% of tech-based startups revolve, it is followed by B2B sector which has around 24% of startups, Consumer Internet 12% and other sectors comprise 13%. On the other hand, in the Non-Technology based startups, the maximum concentration is in the Engineering sector which has around 17% of startups, followed by Agri Products sector with 13% of startups and other sectors comprise 32%.

However, India is far away from many countries in providing facilities to startups in India. It requires 30-60 days to set up a business in India as compared to 2 days in Singapore. The corporate tax rate in 34% in India which is double of corporate tax rate in Singapore (it provides 100% exemption to startups). India has a bank lending rate of 10.3% as compared to 1.2% in Japan.

As per World Bank report, India ranks 130 out of 189 nations in "ease of doing business". Opening a business in India is considerably harder than other BRIC partners.

In this research paper, we will compare India with Israel as both the countries got independence 60 years back from now and started building themselves around the same time but, Israel has been far ahead of India in terms of startups in the country mainly due to the favourable policies in Israel.

In comparison to India, Israel is way ahead. Even the flagship programme of the Narendra Modi government to encourage innovation and entrepreneurship, StartUp India, has not brought much difference to the scene and has how collaborated with Israel and launched a new event "India – Israel Global Innovation Challenge" under which India and Israel are joining forces in order to address some of the world's most pressing innovation challenges. Startup India and the Israel Innovation Authority has invited entrepreneurs, research teams, startups, etc., to submit their solutions to challenges in the areas of digital health, agriculture and water.

Israel has the world's most astounding per capita accessibility of investment. In 2015, Israeli entrepreneurs raised over \$5 billion and had raised over \$3 billion before the finish of H1 2016. Israel has a flourishing environment of more than 4,000 new companies, starting at 2016. For a nation with a populace of scarcely eight million, this is splendid. Israeli startups are centered around digital security, advertisement tech, health tech, and a considerable measure of SaaS-based innovations. A large portion of the startups are centered around building answers for the European markets, since Israel itself doesn't have a sufficiently vast local market.

There are many factors to the success story of Israel as a startup hub — a mandatory military service, the necessity of self-reliance as there are no friendly neighbours, the lack of natural resources as which has led to innovation, its immigrant and the diaspora population which is among the richest in the world — among many others. The Israeli government in 1974 appointed the Office of the Chief Scientist (OCS) with a devoted R&D finance. Activities like this, determined from the best, have been instrumental in driving a culture of innovation in the nation. A year ago, the OCS allowed over \$30 million to such new businesses.

Since it is now proved that the state which provides more incentives to startups attracts more startups and hence more development. So, now let us analyse the various incentives offered by different states in India.

Different Startup Policies and incentives launched by the government

Indian government plans to fabricate an ecosystem that advances entrepreneurship at the startup level and has taken various activities to guarantee that the entrepreneurs gets suitable help.

Make in India

In September 2014, Prime Minister Narendra Modi presented a major activity "Make in India" to advance the assembling division by elevating organizations to put resources into the segment. The expectation of the battle is to draw in remote speculations and

urge local organizations to take an interest in the manufacturing in this way adding to the development story. For instance, an online framework for condition clearances, filling income tax returns and extension of industrial licenses to 3 years have been set.

1. The government raised the limit of Foreign Direct Investment limits for the vast majority of the segments.
2. Protection of the licensed innovation privileges of pioneers and makers by redesigning foundation, and utilising state-of-the-art technology.

Standup India

The Prime Minister aims to assemble frameworks for empowering startups and desires to make the nation the best destination for new startups. In August 2015, he reported another initiative "Standup India" to help new businesses with bank subsidizing and energize enterprise among the youthful Indians. On sixth January 2016, the Union Cabinet had given approval to Standup India initiative which desires for advancing startup culture among women and scheduled tribe and castes. A portion of the notable highlights include:

- Loans under the plan would be given for greenfield projects in the non-farm segment
- Intention of the plan is to encourage no less than two such activities for every bank office
- The plan is relied upon to profit no less than 250,000 borrowers in three years from the launch of the Scheme. It likewise plans to back out the current administration for new startups and is thinking about extending tax incentive to the startups.

Digital India

This is an activity drove by the Indian government to guarantee that government services are made accessible to each resident through online platform. In July 2015, the PM declared the Digital India activity that plans to interface provincial territories by building up their advanced framework. This converts into a great business opportunity for startups. Online based companies in India have been wanting to go into India's rural region as part of the governments initiative.

As indicated by NASSCOM startup report 2015, consistently more than 800 tech startups are being set up in India. By 2020, an anticipated 11,500 tech-startups will emerge and these startups will have the capacity to utilize around 250,000 individuals in the nation.

Financial assistance

In this Union Budget for 2015-16, Finance Minister Arun Jaitley declared government's intend to set up Micro Units Development Refinance Agency (MUDRA) Bank and a Credit

Guarantee Fund with a refinance capital of INR 20,000 cr and INR 3,000 cr. In April 2015, the government announced Mudra Bank to support the development of private companies and assembling units. The recently set-up Bank would give a credit office of up to INR 50,000 to small startups, credit of up to INR 5 lakh to little bigger startups and advance of up to INR 10 lakh to the MSME sector.

The bureau has affirmed the formation of a Credit Guarantee Fund for MUDRA advances

- It is normal that the store will ensure advances of over INR 1,00,000 cr to micro sector
- MUNDRA scheme is expected to benefit 1.73 crore individuals according to the finance minister

Single online clearance system

PM Narendra Modi wants to bring an online approval window which will give more than 200 grants required by various enterprises from different government divisions

1. This new framework of approval for new entrepreneurs will enable them to apply for and track the status of their applications/permit grants on the web
2. Currently, 81 state-level clearances, including land procurement, setting up an industrial facility are being digitized
3. 133 clearances that are being allowed by other central government divisions, including the home, defence and railroad service will be announced on the web.

Real Impact of these policies on the economy

Name of the Incentive	Impact
Make in India	+ Development of labour intensive manufacturing sector - Violates the theory of competitive advantage
Standup India	+ Provides refinance window through SIDBI - Loss for banks as it provides lower rate of interest than market rate
Digital India	+ Nation Optic Fiber Network - Small retailers deal only in cash and cannot invest in digital infrastructure
Financial assistance	+Empower and support the needy people and small businesses - It met only 62% target in 2016-17
Single window online clearance system	+Reduce time taken by reducing human interface and by increasing transparency - Less reliable data

A Reality Check: RTI Filed

To find the reality of implementation of initiatives and policies framed by the government, an RTI was filed to confirm the basic information about the Startup India program and benefits available under it to the startups.

While, the basic information about the Startup India Program like when was it started and how many startups are under it had been given in the RTI there are lot of different answer found in the different government sites and hence this questions the credibility of both, the information in RTI and in the government websites. In the RTI, when a question was asked to confirm how many startups have actually benefited from the Startup India program, it failed to disclose any number and simply mentioned the various advantages available under the initiative.

It has been a year since the Rs 10,000 crore Start Up India fund was announced with a full-page advertisement in some newspapers with much fanfare to promote entrepreneurship. However, no names of the startups or any other beneficiaries is still known to the public. The announcement generated a lot of hype but the government did not give any guidelines on who or what kind of startups qualify to apply for these funds. A year has passed and still no one knows which agency/body is dispersing the funds so, one does not know how the programme can be termed a success.

Recommendations

1. Building state ecosystem by establishing a startup policy, startup portal and helpline for each state
2. Organising events to promote entrepreneurial activity and create a culture of innovation and inspiration for success of startup ecosystem
3. Developing incubation centres, co-working spaces, entrepreneurial cells and instilling an entrepreneurial spirit in every student.
4. Real-time implementation of policies or incentives announced by the states and connecting startups to various angel investors and venture capitalists.
5. Announcing ranking of states on the basis of startup ecosystem to foster a competitive spirit among the states.

Conclusion

India has a large, demographically diverse populace, with numerous youngsters looking for work. The nation is on a way to development however, the rate of development has been moderate. The government has understood the underlying foundations of the essential issues and made appropriate reforms, predominantly in the regions of economy, administration and labour as it tries to free itself from negative parts of its colonial legacy. Understanding that the innovation-led enterprise improvement holds guarantee for development, the government has taken significant approach activities with a strong development plan. There are difficulties in understanding the objective,

yet as this article has shown that the Startupindia program is a major step towards development since it tends to the majority of the key difficulties in building up a effective innovation ecosystem. The principle activities are the provision of funds and expelling of sluggishness in the ecosystem for innovation by improving linkages and making it vibrant in a comprehensive way. The policy is set up now but its prosperity relies upon its execution. Some time will be required before conclusions can be drawn about the policy's definitive consequences for the development way. However, the new policy reforms reflect strong development desires and resonates with the zeal and zest of the youth who wish to journey on the risky path of innovation-based entrepreneurship.

Endnotes

- ^[1] New business registered is considered in place of new startups registered as accurate data on new startups registered in not available is not available and new business registered is directly proportional with new startups registered.
- ^[2] While calculating co-relation between GDP and New Business Registered 2013 data has not been considered due to the lack of accurate data.
- ^[3] In statistics, the Pearson correlation coefficient (PCC, pronounced /'piərsən/), also referred to as the Pearson's r, Pearson product-moment correlation coefficient (PPMCC) or bivariate correlation, is a measure of the linear correlation between two variables X and Y.
- ^[4] Sustenance Allowance: Money given in advance to a new startup to fulfill the necessities while awaiting for first earnings.
- ^[5] Statutory Licenses: A compulsory license provides that the owner of a patent or copyright licenses the use of their rights against payment either determined through some form of arbitration or set by law.
- ^[6] Patent: A government licence conferring a right or title for a set period, especially the sole right to exclude others from using, selling or making an invention.
- ^[7] Fund of fund: The Union Cabinet has approved setting up of Fund of Funds for Startups (FFS) under Small Industries Development Bank of India (SIDBI) for stretching out help to new companies.

References

Rig Veda 1.35.9

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NASSCOM Startup India report 2015, Startup India-Momentous Rise of the Indian Startup Ecosystem, CII report on a snapshot of Indian's Startup Ecosystem

Startups India - An Overview - Grant Thornton India

<https://www.entrepreneur.com/article/237695>

<http://startupindia.gov.in>

<http://planningcommission.nic.in/data/datatable/>

<https://data.worldbank.org/country/india>

<https://data.worldbank.org/indicator/IC.BUS.NREG?view=chart>

Entrepreneurial India -How startups redefine India's economic growth by IBM Institute for Business Value

<https://www.yourstory.com>

<https://www.startupindiahub.org.in>

Building the state startup ecosystem, Ministry of commerce and industry

State Startup Ranking Framework, 2017 - KPMG

State Startup Policies, Ministry of commerce and industry

Appendix

A RTI filed to get accurate information on startups and schemes launched by the government to promote innovation and entrepreneurship.

RTI MATTER/TIME BOUND

No. 9(81)/2017-SI
Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
(Startup India Section)

Udyog Bhawan, New Delhi
Dated: October, 2017

To
Shri Arianant Jain,
E: 24, 1st floor, Kamlanagar,
Near Vashmay Chat Bhandar,
Delhi - 110007
Email: aribantj7508@gmail.com

Subject:-RTI Application of Shri Arianant Jain r/o Delhi regarding information on Startup India.


Sir,

This is with reference to your RTI application no. DIIPP/R/2017/80316 dated 18.09.2017, received in this section on 25.09.2017, regarding information on Startup India.

2. Reply to the questions is as under:

S.No	Question	Reply
1.	How many startup are there in India	As on 25/09/2017, 4009 startups are Recognized by Startup India. This Information may be found at the link http://startupindia.gov.in/
2.	When was Startup India started	The Startup India Program was launched on 16 January 2016.
3.	How many startup have been benefited through Startup India Scheme	There are number of benefits available under Startup India initiative such as:- <ul style="list-style-type: none"> • Provision for 'Tax Exemption on Capital Gains', • 'Income-Tax holiday for 3 years', • Self-Certification Compliance against 6 labour laws, • Rebate on IPR filing fee • Exemption from the criteria of prior experience/ turnover • Relaxation from EMD. No Information is available in respect of number of startup who have benefitted from the entire incentives available under Startup India scheme..

3. If you are not satisfied with the above response, the First Appellate Authority is: Shri Rajiv Aggarwal, Joint Secretary, DIIPP, Udyog Bhawan, New Delhi. (Phone No. 23063571).


(Rajeev Kandpal)
Director & CPIO
Tel: 2306 3212

Encl.: Copy of RTI Application.

Copy for information to:- Section Officer (RTI Section), DIIPP, Udyog Bhawan, New Delhi.

IMPRINT LINE

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