

An Empirical Study of the Performance of Indian Startup with Respect to Different States

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Abstract: Today India ranked fourth most powerful military in the world, same ranked in Naval and seventh rank in Air force, Seventh largest country in the world area wise and many more to add to its feather. But there is the other side also. India ranks 133 in happiness index, in poverty index countries like Nigeria had overtaken India, in terms of population soon India will take over China to be the world's most populous countries. In such circumstances generation of employment will become one of the most tedious job of the GOI (Government of India). Under these circumstances Startup India was initiated by the Prime minister of India Shri Narendra Damodar Modi.

Startup was the dream project of the Government of India. Startup India Standup India was a campaign launched by the GOI to encourage startups of India means youths of India towards the entrepreneurship by supporting them through bank financing for more jobs creation. A programme which was started to give self employment to millions which further will show the multiplier effect has not yet marked its presence. Government has made it almost a riskless venture but still there are many who are far away from this project. The present paper discusses the present scenario of startups from two different dimensions. One mentorship and the other are ranking.

I. INTRODUCTION

India is a country of legends famous all over the world because of their works, sharp mind and high skill. However, our country is still on the developing track because of the lack of some solid support and ways to work in right direction. With 356 million 10-24 year olds, India has the world's largest youth population followed by China with 269 million, Indonesia 67 million, the US 65 million and Pakistan 59 million according to United Nations Population Funds UNFPA. It is true that developing countries with large youth population could see their economies soar, provided they invest heavily in young people's education and health and protect their rights. As the world is home to 1.8 billion young people between the ages of 10-24 years, 9 out of 10 of the world's young population live in less developed countries. The potential economic gains would be realized through a "demographic dividend", which can occur when a country's working age population is larger than dependent population. In order to maximize the dividend, countries must ensure that their young working age populations are equipped to seize opportunities for jobs and other earning possibilities. With the right policies and investments in human capital, countries can empower young people to drive economic and social

development and boost per capita incomes. Youths in India are very talented, highly skilled and full of innovative ideas. It is with this perspective that Start up India was launched. This programme enables startups through financial support so that they can use their innovative ideas in right direction. PM has also requested to all the banks to support at least one dalit and one woman entrepreneur. The idea was to motivate and promote new comers towards business and grow their career and economy of the country simultaneously.

II. LITERATURE REVIEW

- A successful start-up cannot start a business just with passion and an idea. A high level of leadership skills with clear understanding of market, excellent communication skills, maturity to see things in right perspective along with the ability to take calculated risks are required on the part of the entrepreneur(Aggarwal,2017).
- Lack of awareness, multiple clearances, unorganised market, poor infrastructure in Tier 2 /3 cities, lack of mentoring , stringent exit policies, corruption/red tape, technological risk, regulatory obstacles and lack of reforms keeping pace with the fast evolving market changes are some of the challenges as per Rashmi Gupte, Principal (Legal) of Lightbox India Advisors Private Limited.
- Availability of finance is critical for the startups and is always a problem to get sufficient amounts (Mittal, 2014; Truong, 2016). Scaling of business requires timely infusion of capital. Proper cash management is critical for the success of the startups (Skok, 2016;Pandita,2017).
- Startup Opportunities- Low-end Ventures

Snacks and Tiffins	Health drinks	Franchising
Waste management	Media support services	Food Processing
Washing and Ironing	Solar Energy products	Retailing
Supply of Drinking water	Education & training	Health& Pharmacy
Diagnostics Centers	IT and ITES	Food Delivery

Source: Dr Gopal Das Pawan Kumar: Issues and Challenges

Startup Opportunities- High-end Ventures (Export Oriented)

Auto-Components	Ayurvedic medicines
Horticulture	Software Exports
Engineering Goods	Biotechnology
Organic Farming	Floriculture

Source: Dr Gopal Das Pawan Kumar: Issues and Challenges

III. RESEARCH METHODOLOGY

The present research paper is based on descriptive research method and undertakes secondary data into account. The research was extensively done for certain purposes; the objectives are laid down in next paragraph. Following are the source of information for the study:

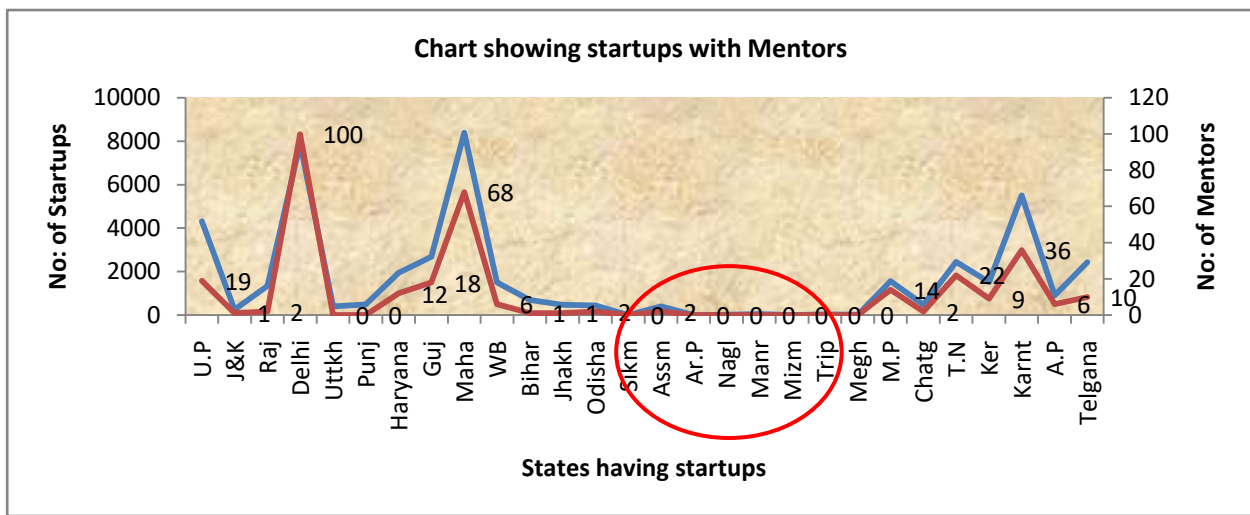
- Reports of various governmental departments.
- Special reports on start-ups taken from Thornton.
- Information's published in newspaper.

IV. OBJECTIVES OF THE STUDY

- To understand the importance of Mentors, Incubators and accelerators with respect to startup.
- To understand the deficiency in mentorship.

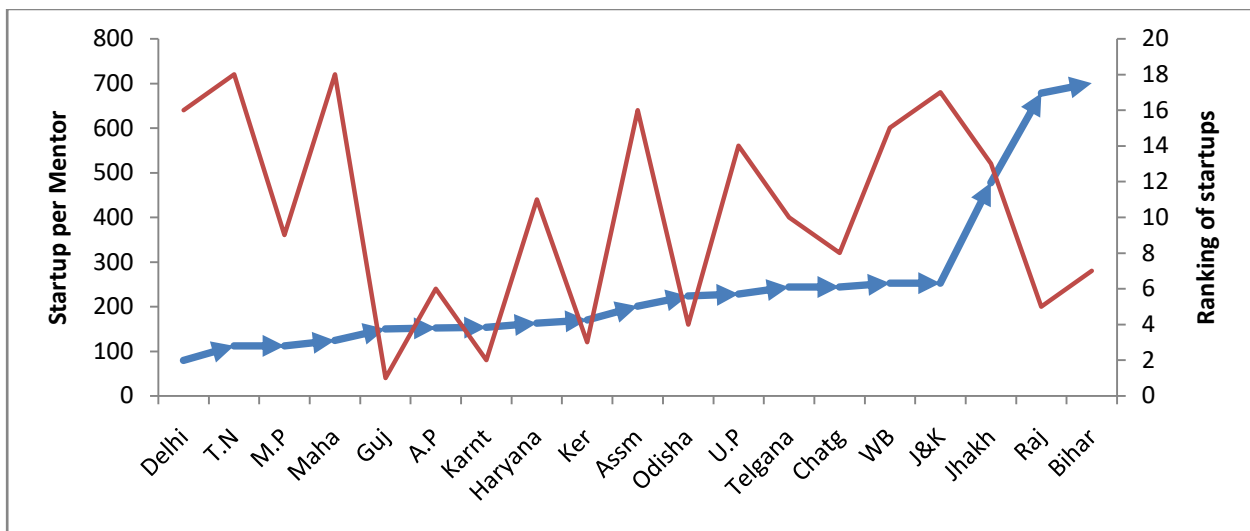
V. FINDINGS

- There are many states which doesn't have mentors as a result without a guiding force there take off is a matter of distant dream.



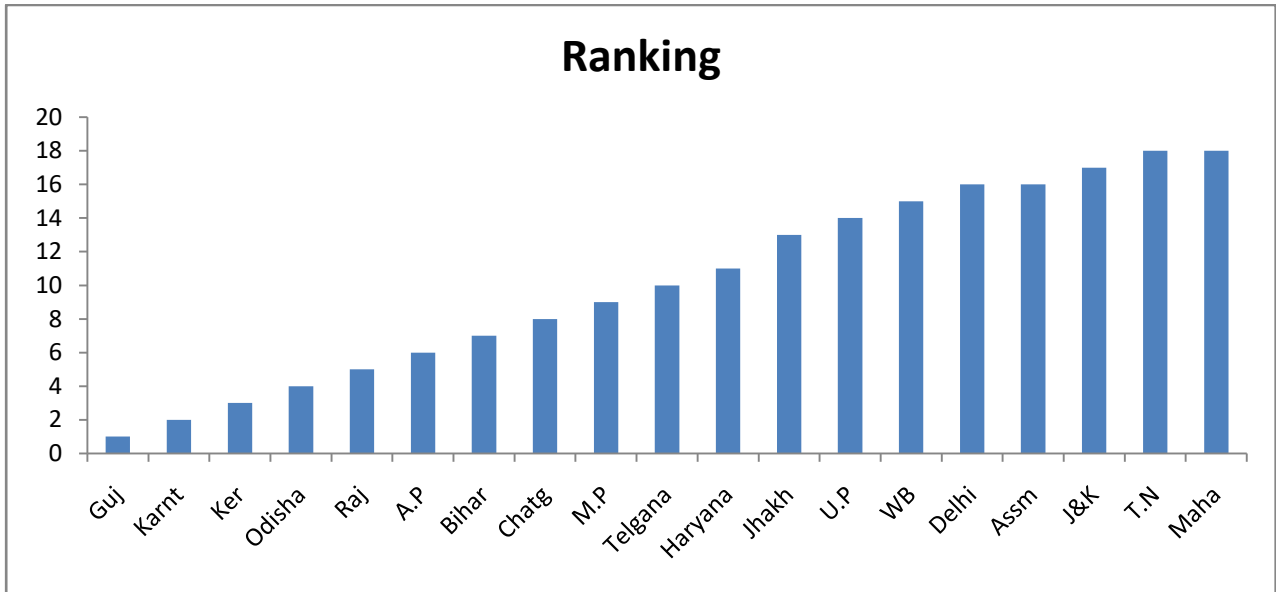
source: www.startup.gov.in

(b). Delhi being the capital enjoy 16th ranking holding despite having 79 startup while Gujarat stood first with a holding of 124 startups. Bihar has the highest number of start up with 678 followed by Rajasthan.



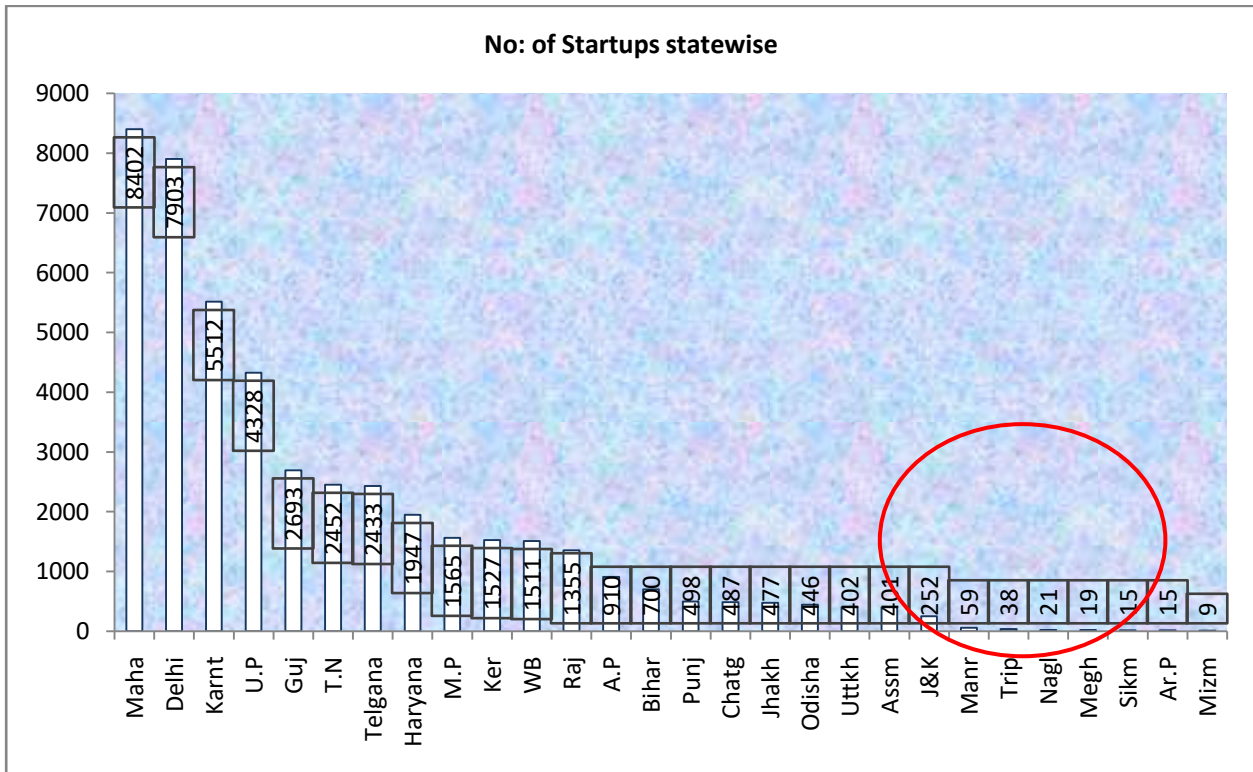
source: www.startup.gov.in

(c). In terms of ranking Maharashtra is the last state despite being the highest number of startups close to 8500. The reasons could be ineffective management of mentors.

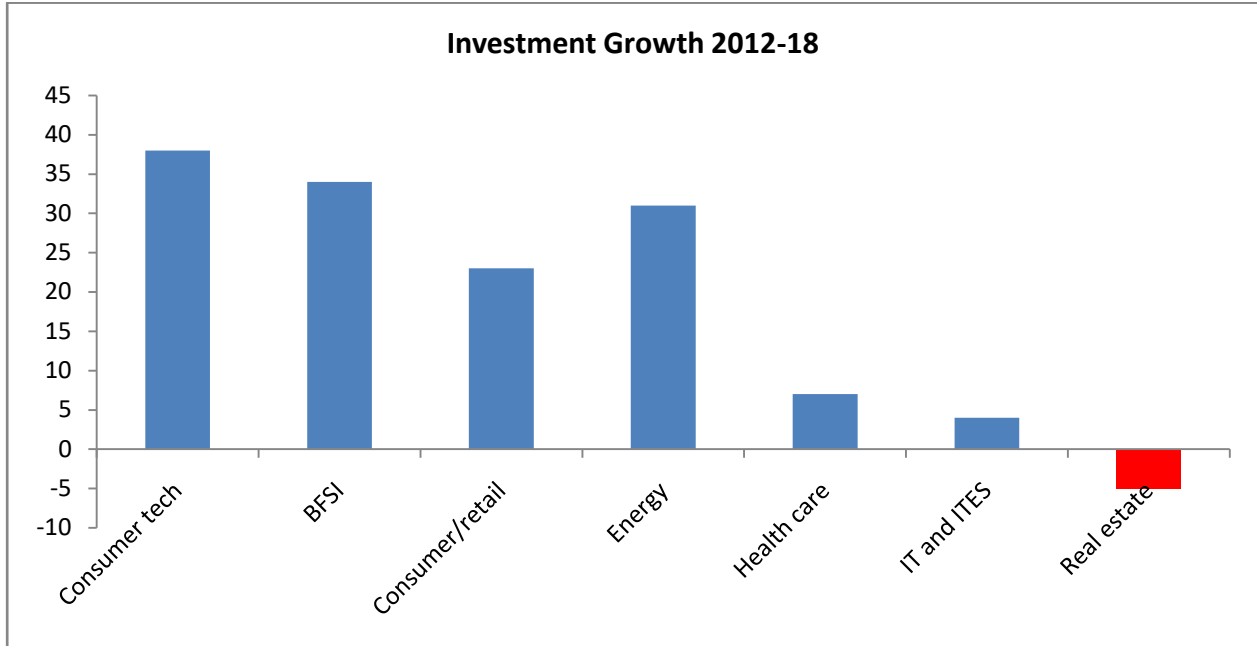


source: www.startup.gov.in

(d). The present chart gives a clear view of neglected states starting from Manipur, Tripura, Nagaland, Meghalaya, Sikkim, Arunachal Pradesh and Mizoram. Together they counted for only 176. Together they are less than even Jammu & Kashmir.

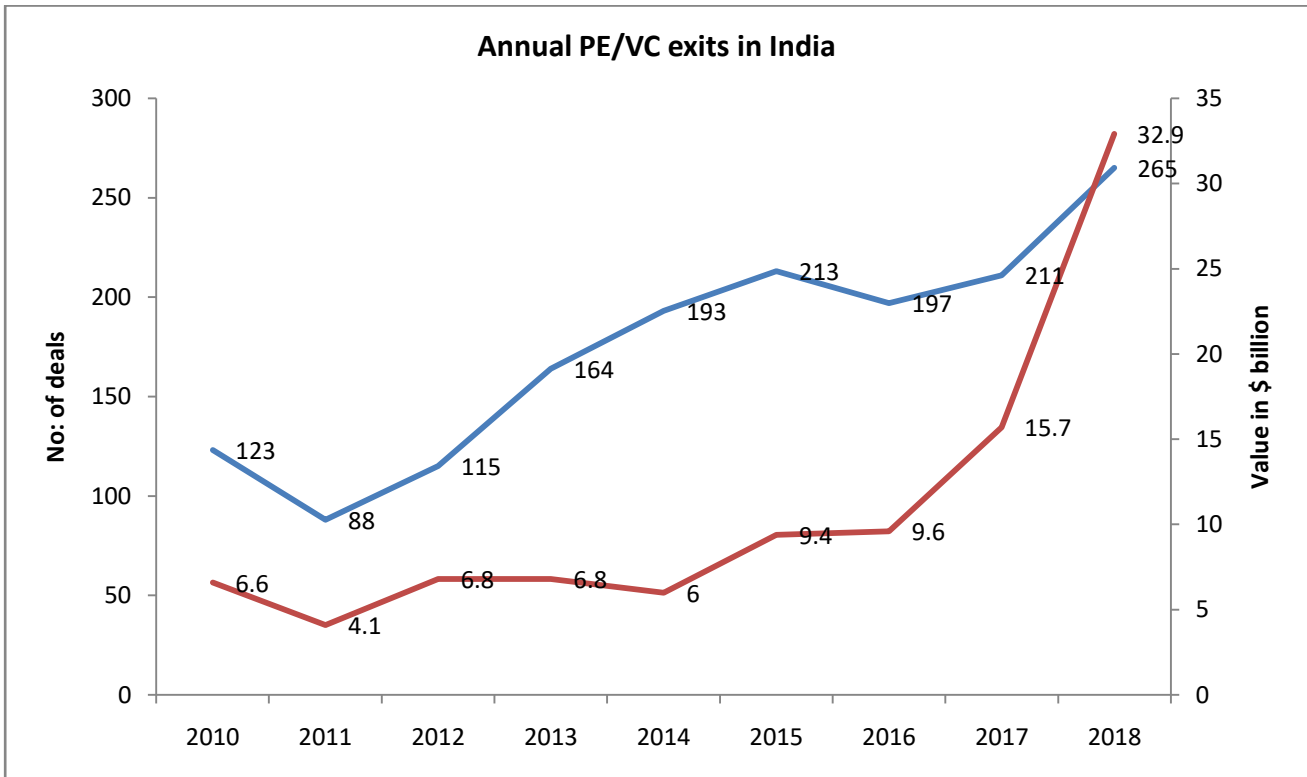


(e). Investment growth rate in real estate sector is negative. One of the prime reason is Demonetization along with the introduction of GST.



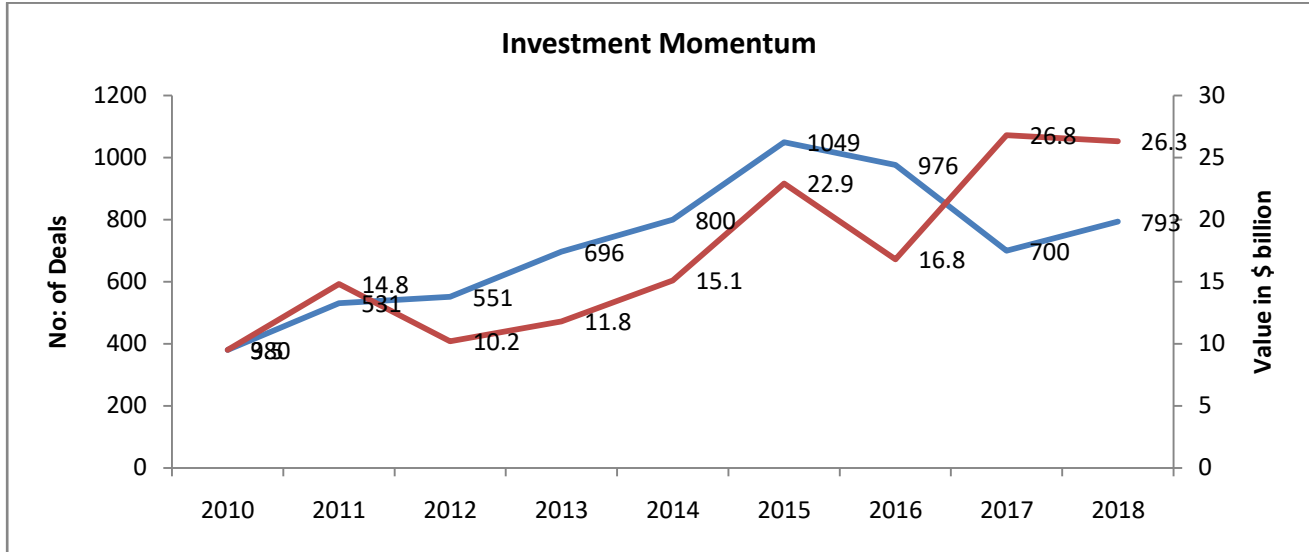
Source: Hindustan Times

(f). PE stands for Private Equity and VC stands for Venture Capitalists. Number of exits through out 2010 to 2018 had always remained in an increasing order and so is the outflow.



Source: Hindustan Times

(g). The downfall could be witnessed from 2015 where from a robust number of 1049 to 700 and then again increased to 793 showing the regaining of confidence.



Source: Hindustan Times

VI. SUGGESTIONS

The vision “Start up India” has a long way to go. It cannot succeed overnight. Youth have the best mind and fortunately we have the best. It is in this perspective that our education system must incorporate Entrepreneurship as a separate subject else workshop should be conducted separately free of cost. This could give the young minds to explore more and bring innovations. Mentorship is another area which needs to be increased in multiple. In the absence of proper guidance failure becomes a normal phenomenon.

VII. CONCLUSION

‘Make in India’ is great opportunity for the Indian start-ups. The startup arena has lot of challenges ranging from finance to human resources and from launch to sustaining the growth with tenacity. Being a country with large population, the plethora of opportunities available are many for startups offering products and services ranging from food, retail, and hygiene to solar and IT applications for day to day problems which could be delivered at affordable prices. It is not out of place to mention that some of these startups would become

unicorns and may become world renowned businesses by expanding into other developing and underdeveloped countries.

VIII. LIMITATION

No doubt Government of India has initiated number of programmers’ like SETU (Self Employment and Talent Utilization) fund, Mudra Yojana, Start up India and so on. But in the absence of a proper propaganda these yojanas fail to deliver the much needed result which is expected. Youth cannot be able to become their own boss.

REFERENCES

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ANNEXURES

Table: A (source: www.startup.gov.in)

STATE	No: of Startup	Mentors available
U.P	4328	19
J&K	252	1
Rajasthan	1355	2
Delhi	7903	100
Uttarakhand	402	0
Punjab	498	0
Haryana	1947	12
Gujarat	2693	18
Maharashtra	8402	68
West Bengal	1511	6
Bihar	700	1
Jharkhand	477	1
Odisha	446	2
Sikkim	15	0
Assam	401	2
Arunachal	15	0
Nagaland	21	0
Manipur	59	0
Mizoram	9	0

Table: B (source: www.startup.gov.in)

State	Ranking
Gujarat	1
Karnataka	2
Kerala	3
Odisha	4
Rajasthan	5
Andhra Prad	6
Bihar	7
Chatisgarh	8
Madhya Prad	9
Telangana	10
Haryana	11
Jharkhand	13
U.P	14
West Bengal	15
Delhi	16
Assam	16
J&K	17
TamilNadu	18
Maharashtra	18

Table: C (source: www.startup.gov.in)

State	Start ups per mentor	Ranking
Delhi	79	16
Tamil Nadu	111	18
Madhya Prad	112	9
Maharashtra	124	18
Gujarat	150	1
A.P	152	6
Karnataka	153	2
Haryana	162	11
Kerala	170	3
Assam	201	16
Odisha	223	4
U.P	228	14
Telangana	243	10
Chattisgarh	244	8
West Bengal	252	15
J&K	252	17
Jharkhand	477	13
Rajasthan	678	5
Bihar	700	7

Table: D (source: www.startup.gov.in)

State	Startups
Maharashtra	8402
Delhi	7903
Karnataka	5512
U.P	4328
Gujarat	2693
Tamil Nadu	2452
Telangana	2433
Haryana	1947
M.P	1565
Kerala	1527
West Bengal	1511
Rajasthan	1355
A.P	910
Bihar	700
Punjab	498
Chattisgarh	487
Jharkhand	477
Odisha	446
Uttarakhand	402
Assam	401
J&K	252
Manipur	59
Tripura	38
Nagaland	21
Meghalaya	19
Sikkim	15
Arunachal	15
Mizoram	9

Table: E		Table: G			Table: F		
Investment growth 2012-18 (in %)		Investment Deals			ANNUAL PE/VC EXITS IN INDIA		
		Year	Deals	\$billion	Year	Deals	\$billion
Consumer tech	38						
BFSI	34	2010	380	9.5	2010	123	6.6
Consumer/retail	23	2011	531	14.8	2011	88	4.1
Energy	31	2012	551	10.2	2012	115	6.8
Health care	7	2013	696	11.8	2013	164	6.8
IT and ITES	4	2014	800	15.1	2014	193	6
Real estate	-5	2015	1049	22.9	2015	213	9.4
		2016	976	16.8	2016	197	9.6
		2017	700	26.8	2017	211	15.7
		2018	793	26.3	2018	265	32.9