

A
Project Report

ON

**“A STUDY ON GOVERNMENT REFORM IN INDIAN ECONOMY WITH
REFERENCE TO START UP INDIA”**

Submitted to

G.S. College of Commerce & Economics, Nagpur

Affiliated to

Rashtrasant Tukadoji Maharaj Nagpur University

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

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Under the Guidance of

Dr. Pragati Pandey

G.S. College of Commerce & Economics, Nagpur



Academic Year 2023 - 24

G.S. College of Commerce & Economics, Nagpur

Academic Year 2023 –24



CERTIFICATE

This is to certify that “**Mr. Pravinkumar L. Sanodiya**“ has submitted the project report title “A study on government reforms with reference to start up India” towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that he has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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(Project Guide)

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(Co-Ordinator)

Place: Nagpur

Date:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2023 – 24



DECLARATION

I here-by declare that the project with title “**A STUDY ON GOVERNMENT REFORMS WITH REFERENCE TO START UP INDIA**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: NAGPUR

PRAVINKUMAR SANODIYA

Date:

G.S. College of Commerce & Economics, Nagpur

Academic Year 2023 – 24



ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. Praveen Mustoor Principal, G.S. College of Commerce & Economics, Nagpur.**

I am extremely thankful to my Project Guide **Dr. Pragati Pandey** her guideline throughout the project. I tender my sincere regards Co-Ordinator, **Dr. Afsar sheikh** for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project. I will fail in my duty if I do not thank the non-teaching staff of the college for their Co-operation. I would like to thank all those who helped me in making this project complete and successful.

Pravinkumar Sanodiya

Place: Nagpur

Date:

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CHAPTER 1

INTRODUCTION



"Startup India" is an initiative by the Government of India launched in 2016 to promote and support entrepreneurship in the country. Aimed at fostering a culture of innovation and job creation, the program offers various incentives, funding schemes, and regulatory reforms to empower startups. It focuses on simplifying processes, providing financial assistance, and creating a conducive ecosystem for the growth of startups across diverse sectors.

Startup India is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and startups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The government through this initiative aims to empower startups to grow through innovation and design and to consolidate and facilitate the startup ecosystem of the country.

Contributing to the Prime Minister's vision of an 'Aatmanirbhar Bharat', Startup India has been supporting entrepreneurs and transforming India into a country of job creators rather than job seekers.

In recent years, the Indian government has taken significant strides towards fostering an environment conducive to startup growth and innovation. One of the flagship initiatives in this regard is the "Startup India" campaign, launched in 2016 by Prime Minister Narendra Modi. This ambitious program aims to promote entrepreneurship, create jobs, and drive economic growth by supporting and nurturing startups across the country.

Key Components of Startup India:

Startup India Hub: The Startup India Hub serves as a single point of contact for all stakeholders in the startup ecosystem, providing information, guidance, and support to entrepreneurs and investors.

Startup India Action Plan: The action plan outlines various initiatives and policies introduced by the government to support startups, including tax benefits, funding schemes, and incubation programs.

Tax Benefits: Startups registered under the Startup India initiative are eligible for various tax benefits, including a three-year income tax exemption and capital gains tax exemption on investments exceeding a specified threshold.

Funding Support: The government has established funds and schemes to provide financial support to startups at different stages of their journey, including seed funding, venture capital, and debt financing options.

Number of recognized startups FY 2016-2022

In the year 2022, over 26 thousand startups were recognized by Department for Promotion of Industry and Internal Trade (DPIIT). India's startup economy has been growing since 2016 with businesses mushrooming rapidly across the country. To support and sustain its growth, the Indian government launched the Startup India initiative. As of February 2023, a total of 92,683 startups had been officially recognized by DPIIT.

Business environment and unicorns in India

India's economy comprises of a vast number of businesses that are predominantly micro enterprises, with more than half of them based in rural areas. While the number of startup investment deals remained more or less stable between 2017 and 2020, startup funding saw a depreciation in value due to the economic impact of the COVID-19 pandemic, however, regained momentum in 2021. Owing to a host of funding deals and investment schemes, startups in India have spread across several key sectors primarily those of technology and ecommerce.

Leading startup sectors and unicorns

Meanwhile, the fields that held the lion's share of the overall number of startups in the country in 2022 were fintech, e-commerce and enterprises. India also had the second highest number of unicorns in the Asia Pacific region with a market valuation of just under 100 billion U.S. dollars in 2021.

India has achieved a significant milestone this year, surpassing 100,000 registered startups through the Startup India initiative, according to Commerce Minister Piyush Goyal.

He underscored the program's remarkable success, noting the substantial growth from 450 startups in 2016 to well over 100,000 startups in 2023, all officially recognised by the Department for Promotion of Industry and Internal Trade (DPIIT).

According to the minister, India now boasts the distinction of being the third-largest startup ecosystem globally. Earlier, during this year's monsoon session, the government declared that Maharashtra, with 4,801 registrations, Uttar Pradesh, with 2,572 registrations, and Delhi, with 2,567 registrations, stood out as the top three startup hubs in terms of registrations in 2022.

The government data further revealed a significant surge in startup registrations, with 26,522 new startups registering in 2022 under the Startup India initiative, marking a 32.6% increase compared to the 19,989 startup registrations in 2021. Additionally, officials highlighted that the DPIIT has registered over 3,000 fintech startups.

Moreover, various states, including Andhra Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Kerala, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Tripura, Uttarakhand, and West Bengal, also experienced substantial growth in their startup ecosystems last year.

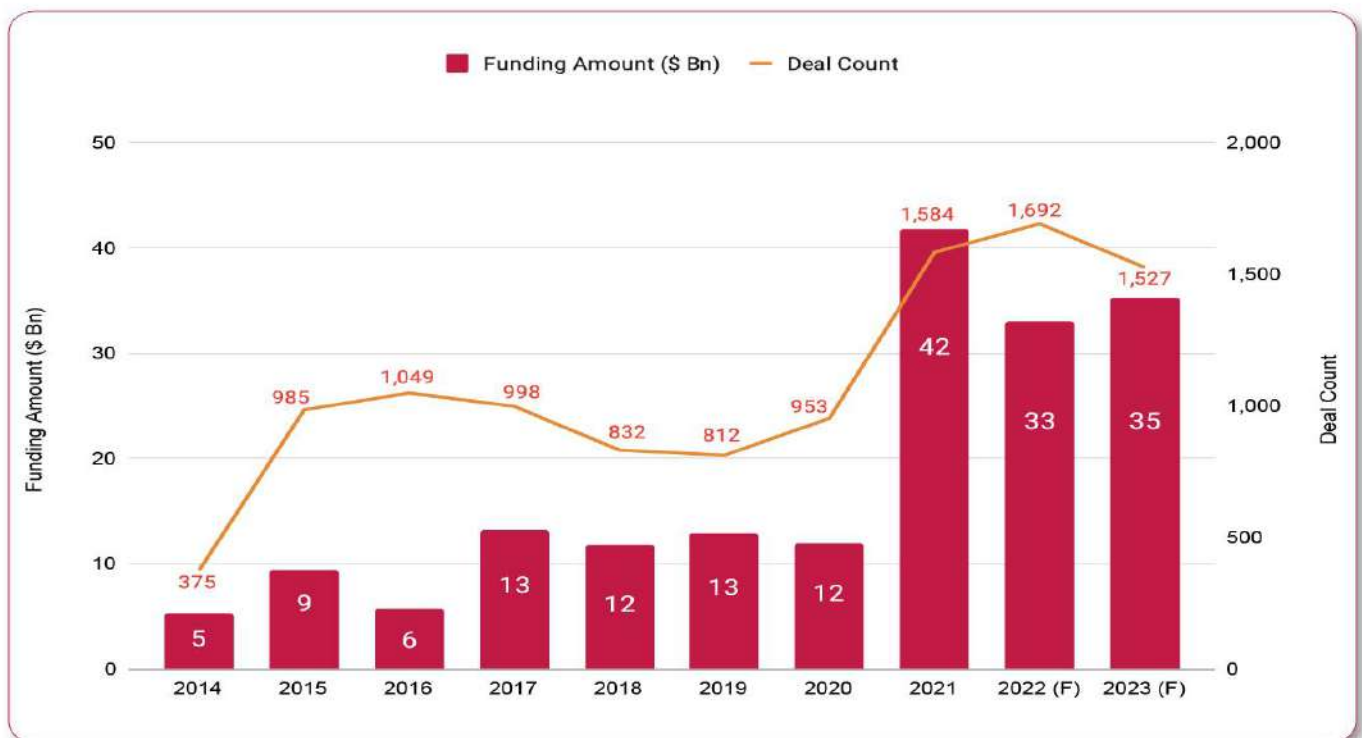
However, despite these achievements, the Indian startup ecosystem faced a funding decline in H1 2023 compared to H1 2022. According to the India Tech semi-annual report 2023 by market intelligence platform Tracxn, funding in H1 2023 witnessed a 72% decrease, totalling approximately US\$ 5.5 billion—significantly lower than the US\$ 19.7 billion reported in the first half of 2022. Even early-stage funding rounds were impacted, with a 44% decrease, deploying US\$ 1.4 billion in the first half of the current year compared to the previous half-year.

Despite economic uncertainty, Indian startups raised \$25 Bn in 2022, with a 40% decrease from the \$42 Bn raised in 2021. However, capital inflows were 2.1X higher than in 2020.

The year 2022 saw an increase in venture capital investments outside of the top three startup hubs of Bengaluru, Delhi NCR, and Mumbai, with emerging startup hubs witnessing a 41% surge in funding. In contrast, aggregate capital inflows in the top three startup hubs decreased by 48% due to a decline in mega deals.

Inc42's annual Indian tech startup funding report decodes the funding climate, insights on M&As, founders and investors' outlook on the future.

India Startup Funding To Touch \$180 Bn By The End Of 2023



Source: The State of Indian Startup Ecosystem Report, 2022

Inc42

Since 2022, the Indian startup ecosystem has experienced a significant correction from its 2021 peak. In 2023, total funding reached \$10 Bn+, representing a 60% drop from 2022 and a sharp 76% fall from the peak in 2021. Notably, this is a seven-year decline in funding for the Indian startup ecosystem.

CHAPTER 2
LITERATURE REVEIW

LITERATURE REVEIW

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.

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.

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.

CHAPTER 3

- **Problem definition**
- **Need of study**
- **Objectives**
- **Hypothesis**

PROBLEM DEFINATION

Startup India initiative by the Government of India could revolve around challenges faced by new businesses, such as limited access to funding, lack of infrastructure, or regulatory complexities. The initiative aims to address these issues to foster a more conducive environment for startups, promoting entrepreneurship and innovation.

NEED OF STUDY

- To promote culture of entrepreneurship and innovation.
- To support job creation by forecasting the growth of new business.
- To improve access to capital by providing financial support.
- To enhance the global competitiveness of Indian startups.

OBJECTIVE OF STUDY

- To boost up/promote start up in India.
- To analyse the effects on Indian economy due to start up initiative.
- To identify the issues associated with Indian economy.
- To describe the recent actions taken by government toward start up initiative.

HYPOTHESIS

H0: - There will be no significant increase in the number of successful startups, job creation, and overall economic growth in the country.

H1: - There will be a significant increase in the number of successful startups, job creation, and overall economic growth in the country.

CHAPTER 4
RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

Research methodology refers to the systematic process and set of techniques or procedures used to conduct a study or investigation. It is the blueprint that guides the entire research process, from the formulation of research questions or hypotheses to the analysis and interpretation of results. Well-designed research methodology is essential for ensuring the reliability and validity of the research findings.

Effective Research will involve –

1. Collection of data from primary and secondary sources
2. Data Presentation
3. Review historical performance

Data Sources:

The research plan requires primary data, secondary data, or both.

Primary data:

Primary data can be collected through the following method, survey technique or approach

This consists of following: -

1. Questionnaire

Secondary data:

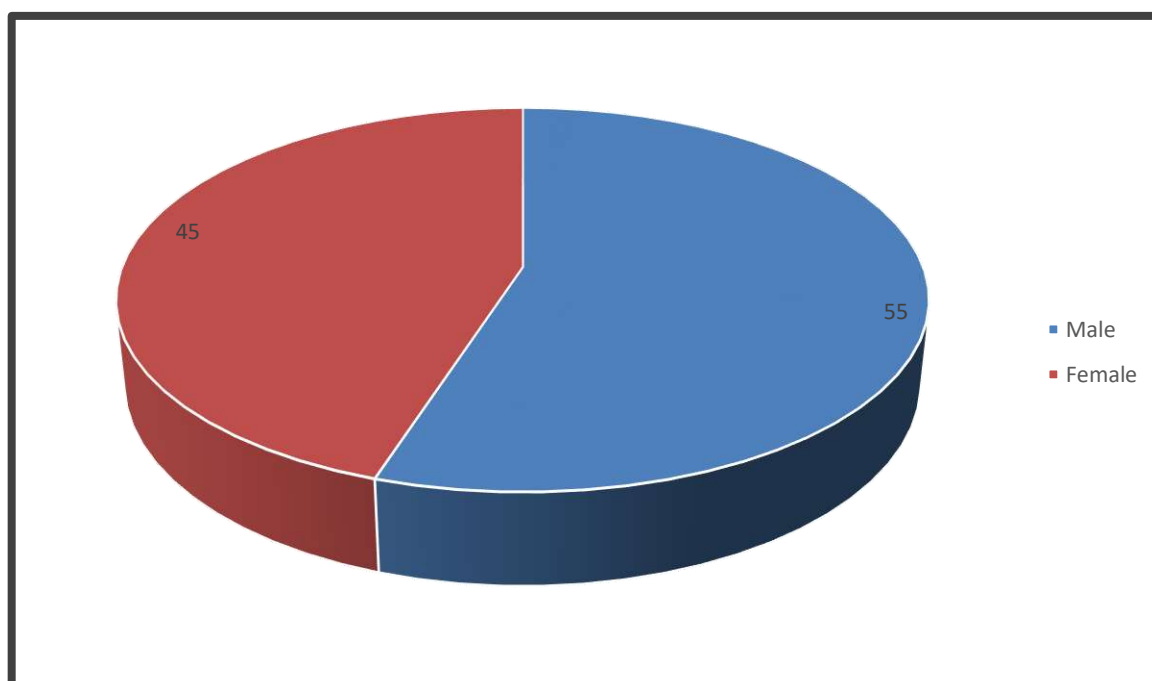
Secondary data can be collected through the following method: -

1. Websites
2. Internal records
3. National journal

CHAPTER 5
DATA ANALYSIS AND
INTERPRETATION

Gender

Particulars	No. of respondents	Percentage of response
Male	33	55%
Female	27	45%
Transgender	0	0%
Total	60	100

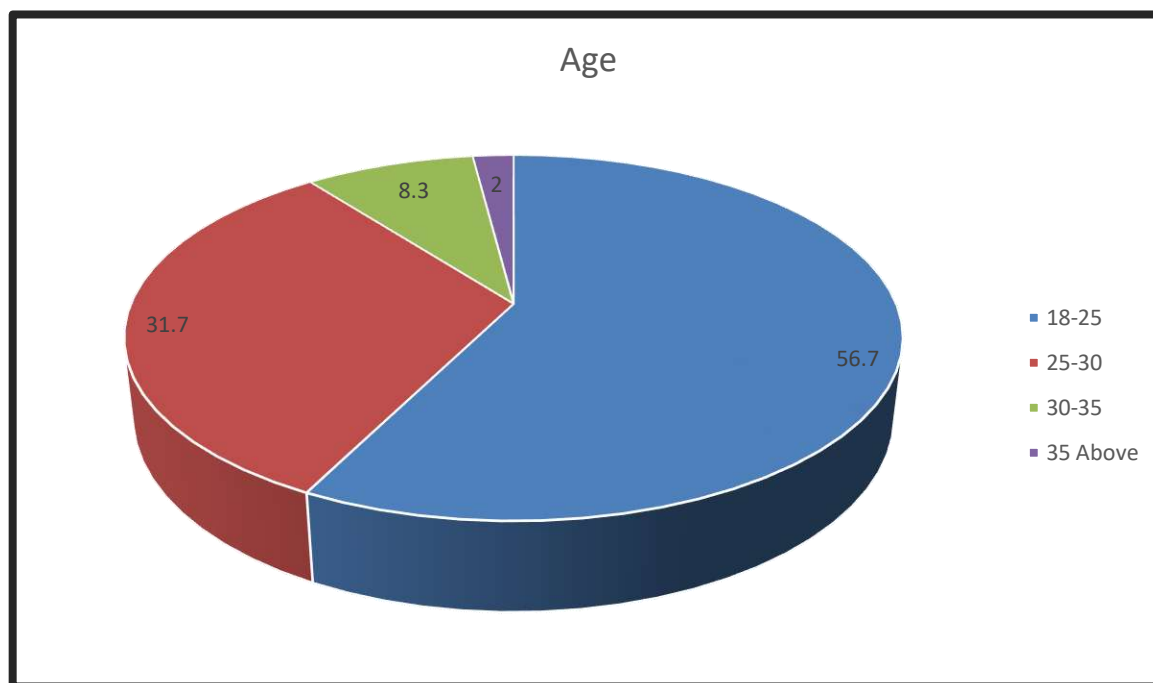


INTERPRETATION-

As per above table and pie chart, the majority of respondents can be analyzed to be male i.e 55% in numbers it has 33, and female respondents are to be 45% in numbers it shows 27.

Age

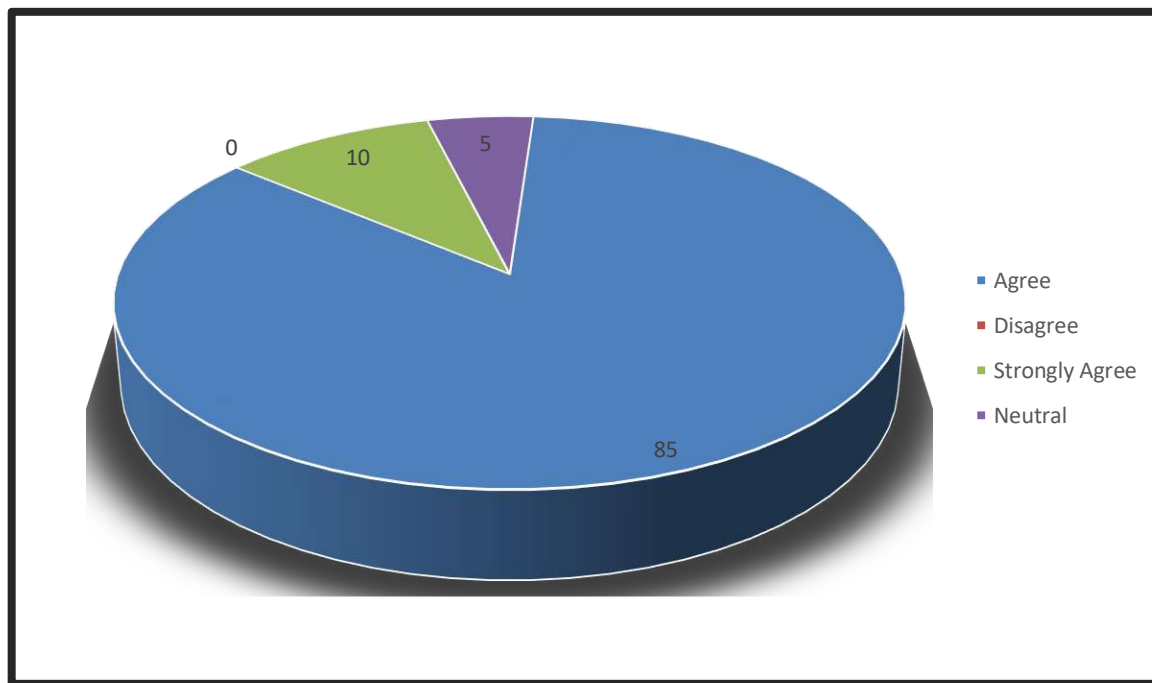
Particulars	No. of respondents	Percentage of response
18-25	34	56%
25-30	19	31.7%
30-35	5	8.3%
35 Above	2	3.3%
Total	60	100

**INTERPRETATION-**

As per the above table and pie chart, the majority of respondents can be analyzed to be in the 18-25 years age group, i.e. 56.7%. The second most are between the of 25-30 years age group i.e 31.7%. and in the age group of 30-35 which is 8.3%. and lowest respondent 2% are more than 35 years of age group.

1. According to you "Start Up" India initiative boosting startups in India?

Particulars	No. of respondents	Percentage of response
Agree	51	85%
Disagree	0	0%
Strongly Agree	6	10%
Neutral	3	5%
Total	60	100



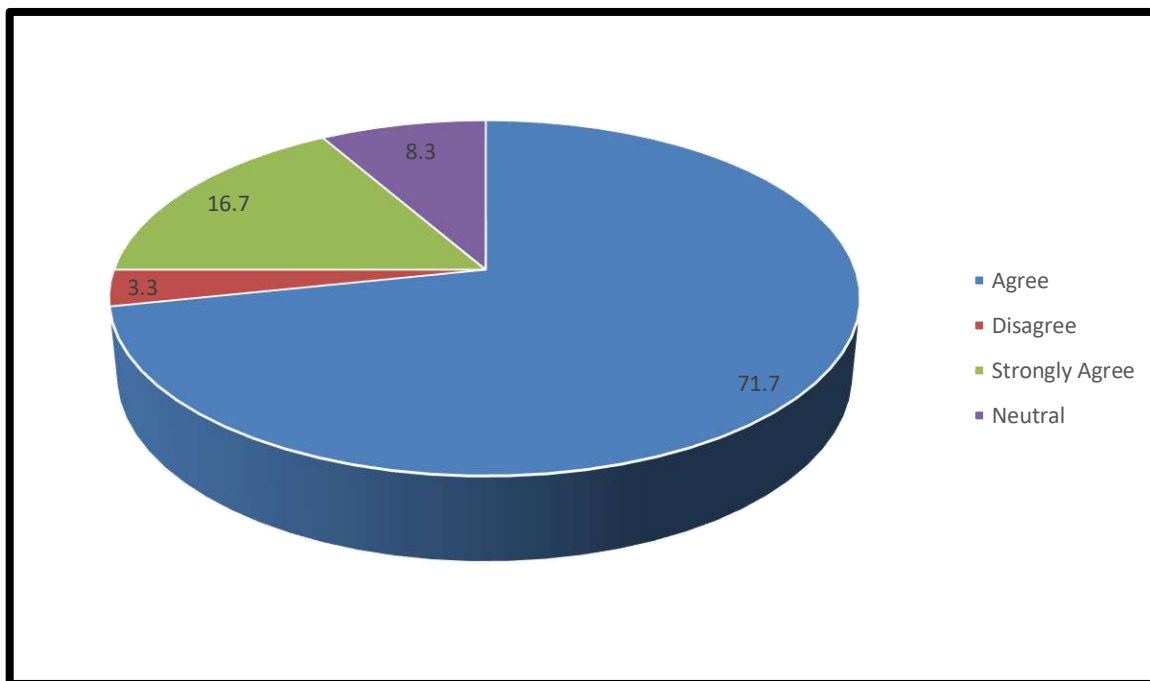
INTERPRETATION-

As per the above data majority of respondent i.e., 85% agree of Start-up India initiative boosting start ups in India. whereas 10% people strongly agree, and very few respondents which is around 5% are neutral.

Hence it is concluded that majority pf respondents i.e., 85% are agreed with this statement.

2. Does "Start Up" India initiative contribute in Job creation?

Particulars	No. of respondents	Percentage of response
Agree	43	71.7
Disagree	2	3.3
Strongly Agree	10	16.7
Neutral	5	8.3
Total	60	100

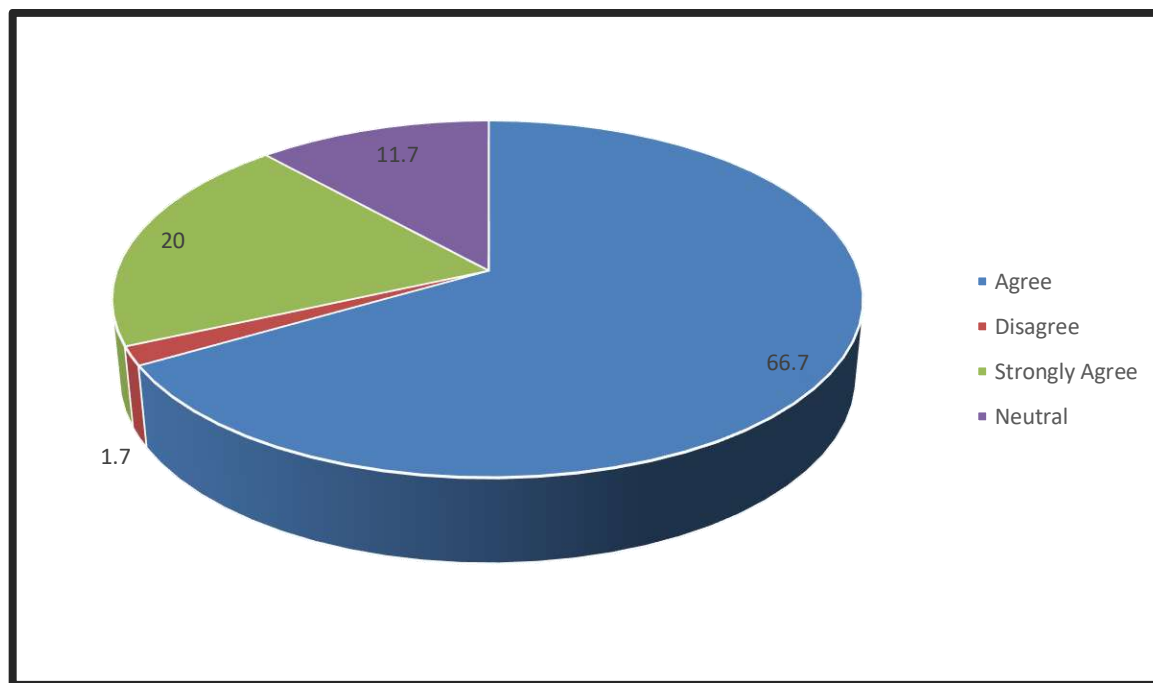


INTERPRETATION-

From the above table and pie chart there are maximum respondent i.e 71.7% agreed that Start up India initiative contributing in job creation.16.7% respndent strongly agree and 8.3% respndent have neutral, and only few respondent which is 3.3% disagree on this statement.

3. Government funds scheme helps "Start Up" to grow?

Particulars	No. of respondents	Percentage of response
Agree	40	66.7
Disagree	1	1.7
Strongly Agree	12	20
Neutral	7	11.7
Total	60	100

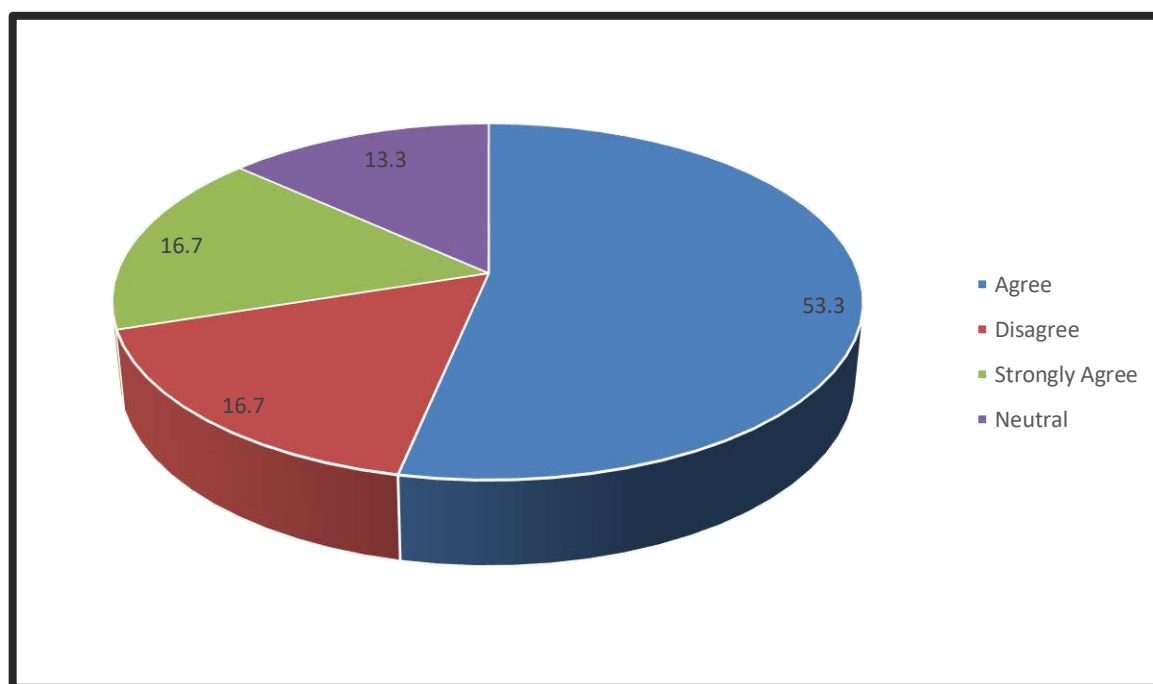


INTERPRETATION-

According to the above table and pie chart, a majority of respondents, i.e., 66.7% agreed that government funds schemes help to grow startups in India. 20% of respondents strongly agreed with this statement. 11.7% of respondents were neutral, and only 1.7% of respondents disagreed with the statement.

4. Special Economic Zone (SEZ) helps in Increasing the start ups in India?

Particulars	No. of respondents	Percentage of response
Agree	32	53.3
Disagree	10	16.7
Strongly Agree	10	16.7
Neutral	8	13.3
Total	60	100

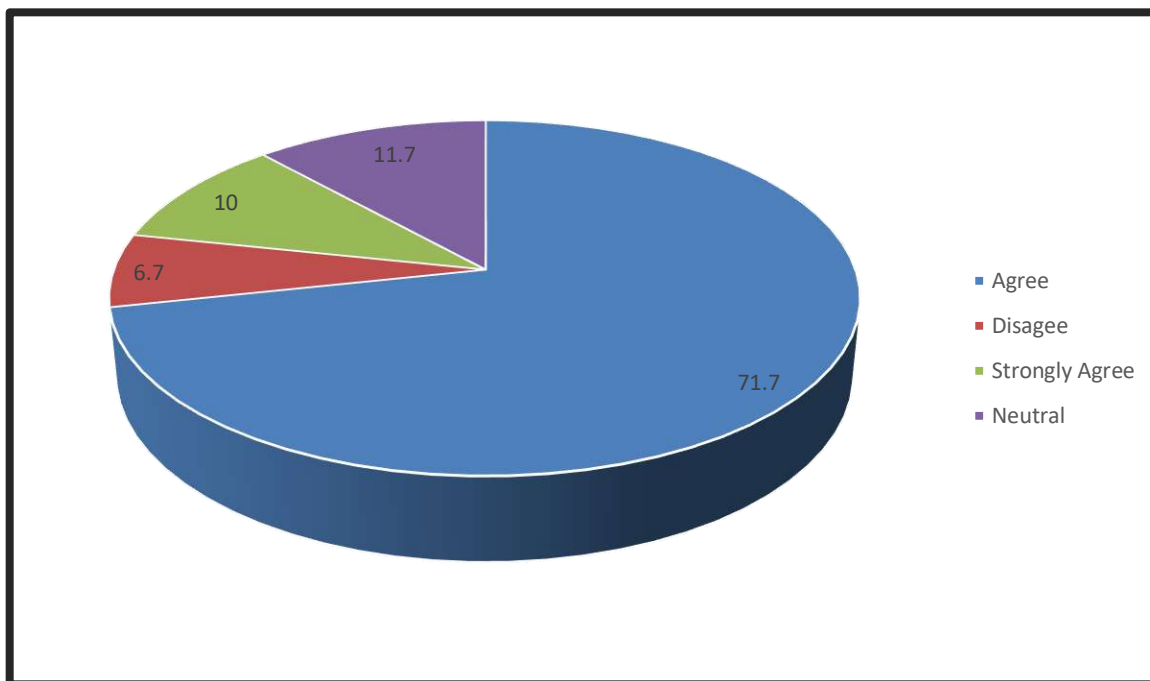


INTERPRETATION-

According to above table and pie chart maximum respondent 53.3% are agreed on this statement. 16.7% strongly agree, 13.3% respondent are neutral on this statement and around 16.7% disagree on this statement.

5. Does "Start Up" India initiative resolve the problems associated with Start Ups?

Particulars	No. of respondents	Percentage of response
Agree	43	71.7
Disagree	4	6.7
Strongly Agree	6	10
Neutral	7	11.7
Total	60	100

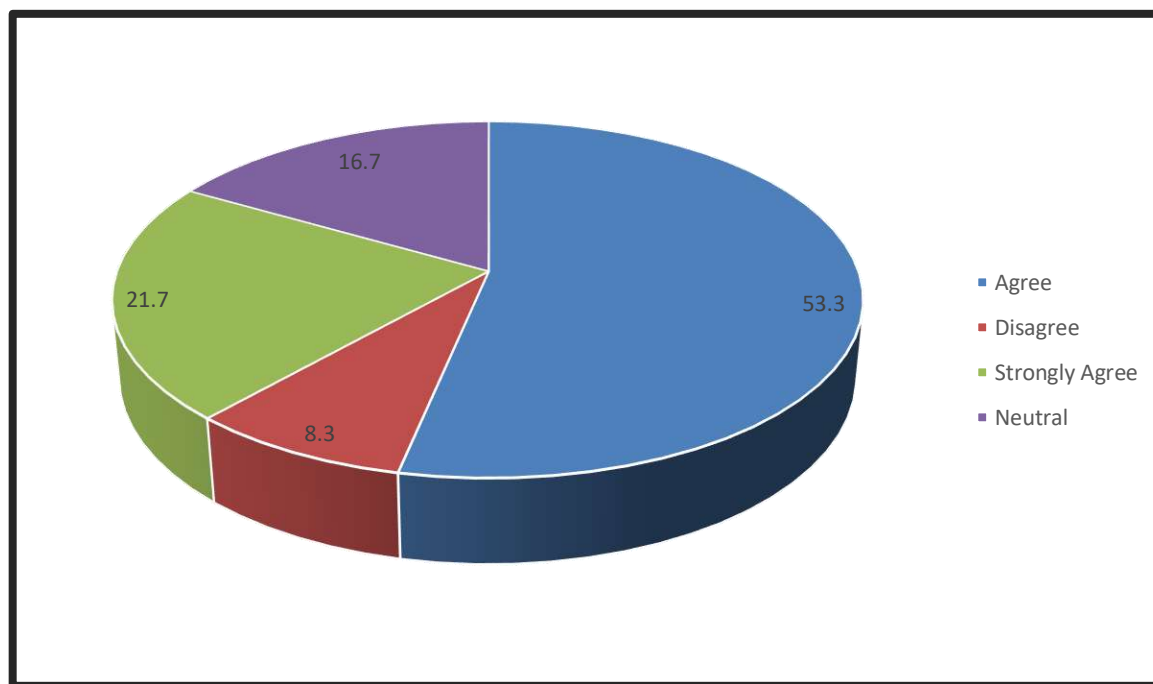


INTERPRETATION-

According to above table and pie chart maximum respondent are agreed 71.7% on start up India initiative resolve the problem associated with start ups. 10% respondent strongly agree, 11.7% are neutral and only 6.7% respondent disagree with this statement.

6. Lack of funding is challenge for startups in India?

Particulars	No. of respondents	Percentage of response
Agree	32	53.3
Disagree	5	8.3
Strongly Agree	13	21.7
Neutral	10	16.7
Total	60	100



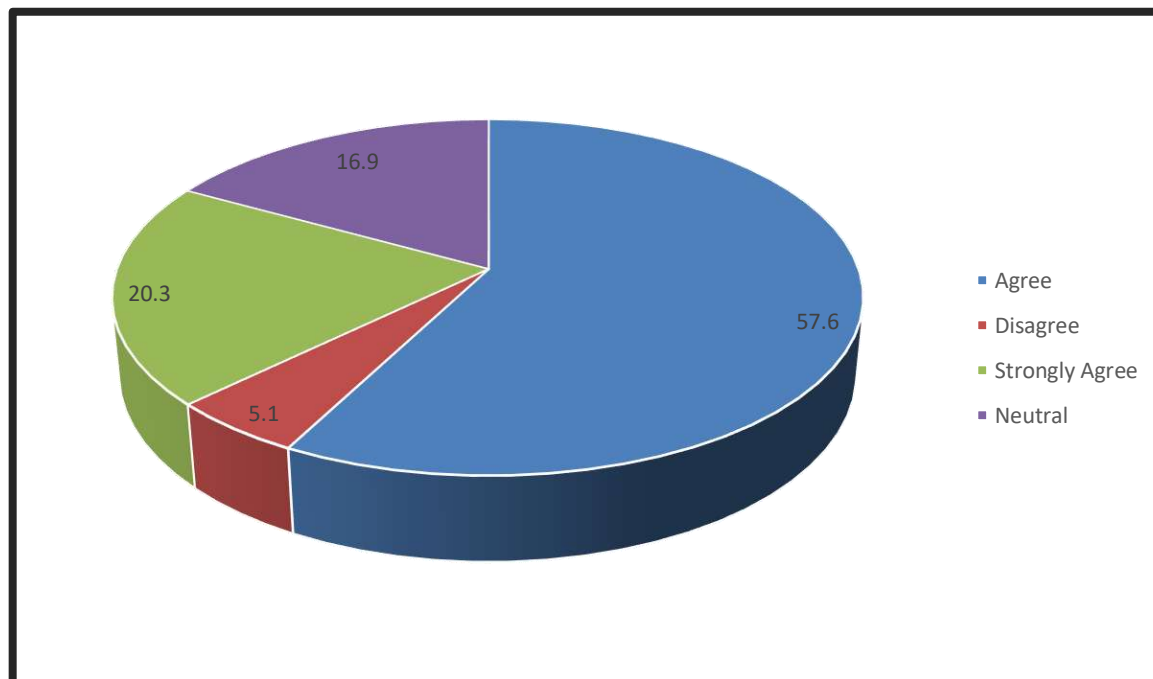
INTERPRETATION-

According to above table and pie chart maximum respondent i.e 53.3% agreed upon this statement.

21.7% respondent strongly agree, 16.7% are neutral, and there is only 8.3% respondent disagree on this statement.

7. Slow Implementation of policies affect the startups in India?

Particulars	No. of respondents	Percentage of response
Agree	34	57.6
Disagree	3	5.1
Strongly Agree	12	20.3
Neutral	10	16.9
Total	59	100

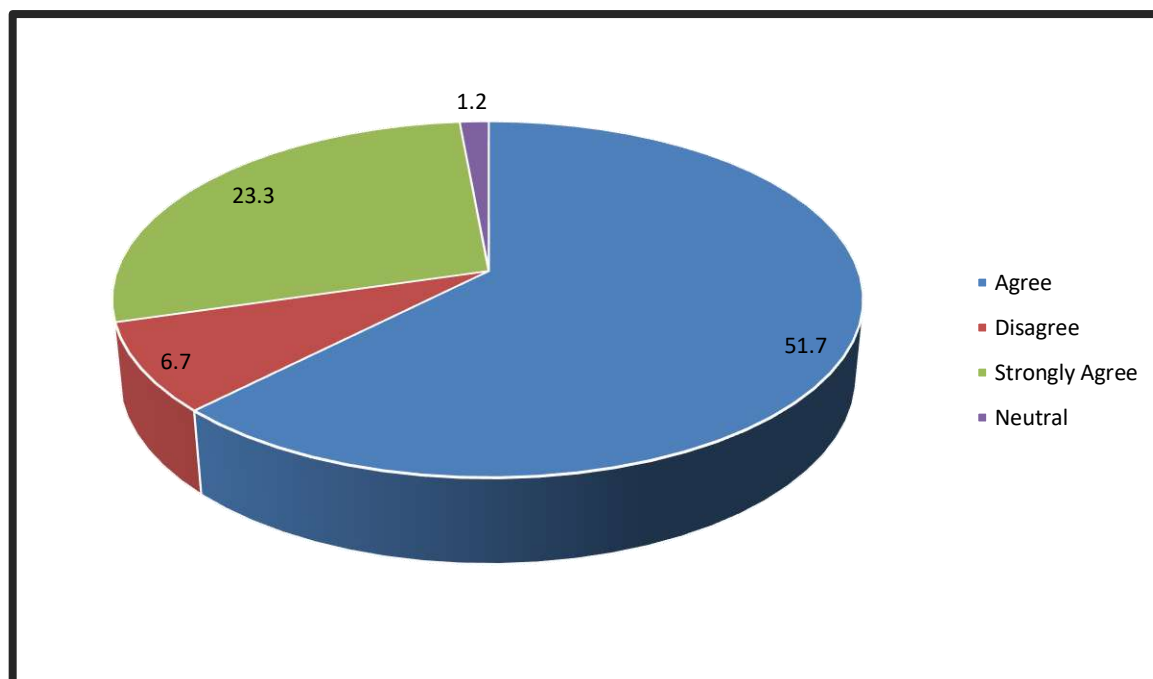


INTERPRETATION-

From the above data shown on table and pie chart there are 57.6% respondent agreed on above statement. 20.3% respondent strongly agree on this statement, 16.9% respondent neutral and only 5.1% respondent disagree on above statement.

8. Tax burden affect Start ups?

Particulars	No. of respondents	Percentage of response
Agree	31	51.7
Disagree	4	6.7
Strongly Agree	14	23.3
Neutral	11	18.3
Total	60	100



INTERPRETATION-

From analyzing the above table and chart the majority of the respondent i.e 51.7% agreed on th above statement, 23.3% respondent strongly agree, 6.7% disagree with this statement, and only 1.2% respondent are neutral.

CHAPTER 6
HYPOTHESIS TESTING

HYPOTHESIS TESTING-

H₀: - There will be no significant increase in the number of successful startups, job creation, and overall economic growth in the country.

H₁: - There be a significant increase in the number of successful startups, job creation, and overall economic growth in the country.

From the above research it is found that alternate hypothesis i.e., H₁ “There be a significant increase in the number of successful startups, job creation, and overall economic growth in the country”. is true and accepted. Whereas Null hypothesis H₀ “There will be no significant increase in the number of successful startups, job creation, and overall economic growth in the country” is rejected.

CHAPTER 7
FINDING & RECOMMENDATIONS

FINDINGS-

1. It is found that majority of respondents are belongs to Male i.e. 55% and there are 45% Female.
2. According to analysis, majority of respondent can be analyzed to be in the 18-25 years age group, i.e. 56.7% The second most are belonging to 25-30, i.e., 31.7% and lowest which is above 35 are only 3.3%.
3. It is found that majority of respondent i.e., 85% agree of Start-up India initiative boosting start ups in India. whereas 10% people strongly agree, and very few respondents which is around 5% are neutral. Hence it is concluded that majority of respondents i.e., 85% are agreed with this statement.
4. According to analysis there are maximum respondent i.e 71.7% agreed that Start up India initiative contributing in job creation.16.7% respndent strongly agree and 8.3% respndent have neutral, and only few respondent which is 3.3% disagree on this statement.
5. After observing the above table majority of the respondent i.e 66.7% agreed on government funds scheme help to grow the startps in India. 20% repondents are strongly agree on this statement. 11.7% respondents are neutral on this statement and only 1.7% respondents are disagree on this statement.
6. As per table and pie chart maximum respondent 53.3% are agreed on this statement. 16.7% strongly agree, 13.3% respondent are neutral on this statement and around 16.7% disagree on this statement.
7. As per data maximum respondent are agreed 71.7% on start up India initiative resolve the problem associated with start ups. 10% respondent strongly agree, 11.7% are neutral and only 6.7% respondent disagree with this statement.

8. It is found that maximum respondent i.e 53.3% agreed upon this statement. 21.7% respondent strongly agree, 16.7% are neutral, and there is only 8.3% respondent disagree on this statement.

9. according to analysis there are 57.6% respondent agreed on above statement. 20.3% respondent strongly agree on this statement, 19.9% respondent neutral and only 5.1% respondent disagree on above statement.

10. From analyzing the table the majority of the respondent i.e 51.7% agreed on th above statement, 23.3% respondent strongly agree, 6.7% disagree with this statement, and only 1.2% respondent are neutral.

RECOMMENDATIONS-

- Government should Facilitate easier access to funding through initiatives like government-backed venture capital funds, tax breaks for investors, and streamlined processes for startups to raise funds.
- Enhance skill development programs tailored to the needs of startups, including technical skills, business management, and entrepreneurship training.
- To Improve infrastructure such as co-working spaces, incubators, and accelerators to provide startups with affordable workspace and necessary amenities.
- Government should Simplify regulatory compliance procedures and reduce bureaucratic hurdles for startups, including easier registration processes, tax benefits, and incentives for compliance.
- Government has to Facilitate market access for startups by promoting innovation procurement policies, fostering collaboration between startups and established companies, and supporting participation in trade exhibitions and events.
- Government has to create policies regarding Encourage innovation through research and development grants, technology parks, and incentives for patent filing and intellectual property protection.
- Raise awareness about entrepreneurship and the startup ecosystem through educational programs in schools, colleges, and universities, as well as public campaigns and events.

CHAPTER-8
CONCLUSION

CONCLUSION-

In conclusion, the Startup India initiative has emerged as a pivotal catalyst for fostering innovation, entrepreneurship, and economic growth in India. Through its comprehensive policies and support mechanisms, it has nurtured a vibrant ecosystem where startups can thrive, innovate, and create jobs. By simplifying regulations, providing access to funding, and offering mentorship programs, Startup India has empowered countless aspiring entrepreneurs to turn their ideas into successful ventures.

In short, it can be seen that 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.

CHAPTER-9
BIBLIOGRAPHY

BIBLIOGRAPHY-

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CHAPTER-10
APPENDICES

Questionnaire-

1. Gender

- a) Male
- b) Female

2. Age

- a) 18-25
- b) 25-30
- c) 30-35
- d) 35 above

3. According to you “Start Up” India initiative boosting startups in India?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

4. Does “Start Up” India initiative contribute in Job creation?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

5. Government funds scheme helps “Start Up” to grow?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

6. Special Economic Zone (SEZ) helps in Increasing the Start-Ups in India?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

7. Does "Start Up" India initiative resolve the problems associated with Start Ups?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

8. Lack of funding is challenge for startups in India?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

9. Slow Implementation of policies affect the startups in India?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral

10. Tax burden affect Startups?

- a) Agree
- b) Disagree
- c) Strongly Agree
- d) Neutral