



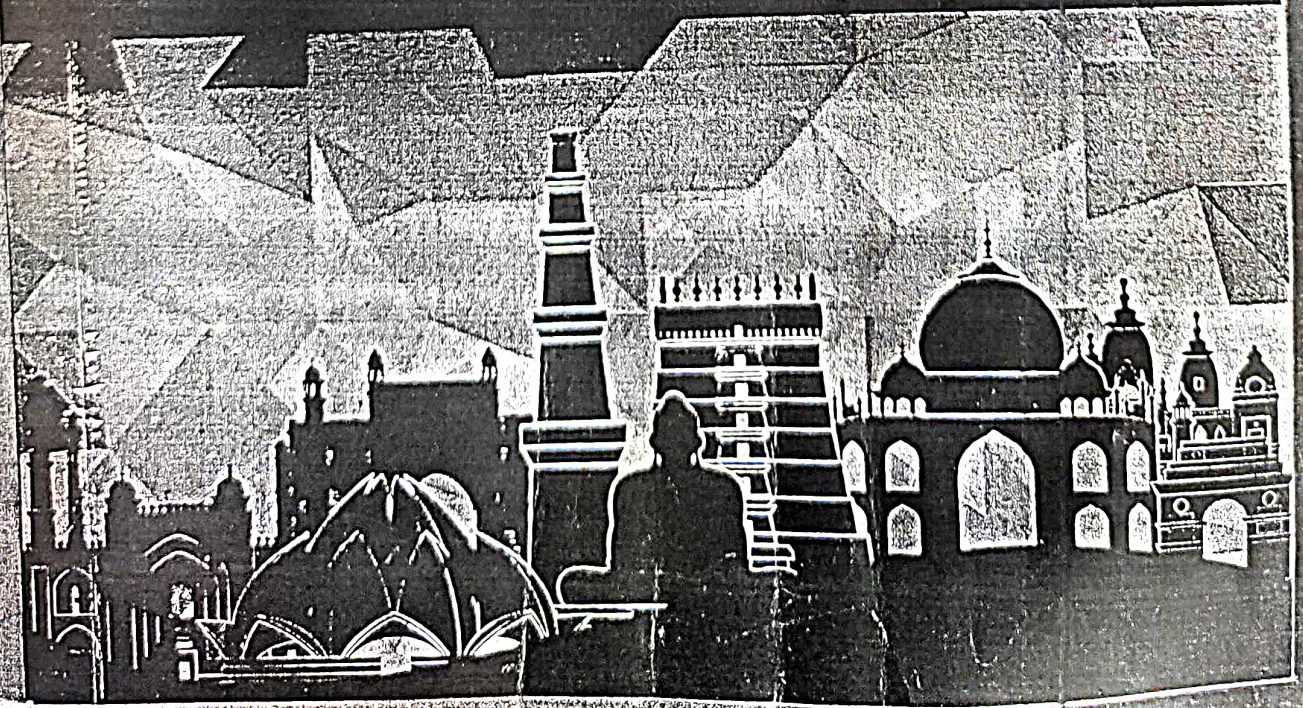
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**"START - UP INDIA**  
**SOCIO-ECONOMIC OPPORTUNITIES**  
**AND CHALLENGES:**  
**A LEGAL PERSPECTIVE"**

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# Entrepreneurship and Startup India

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## Abstract

*Start-up India is a government initiative to promote entrepreneurship and support startup businesses in India. The initiative aims to create a conducive ecosystem for startups to grow and thrive by providing access to funding, mentorship, and networking opportunities.*

*However, starting a business in India comes with its own set of challenges and opportunities. Challenges include a complex regulatory environment, difficulty accessing funding, and a need for more experienced talent. On the other hand, opportunities include a large and growing market, access to a talented and young workforce, and a robust support ecosystem.*

*The Start-up India initiative has helped create a more favorable environment for entrepreneurship in India and has supported many aspiring entrepreneurs. However, there is still a long way to go to fully realize the potential of India's startup ecosystem. This paper intends to analyze the opportunities and challenges for entrepreneurs in India.*

**Keywords:** *Entrepreneurship, Challenges, Opportunities, Funding access.*

## Introduction

Start-up India is a flagship initiative of the Government of India, launched in 2016 to boost entrepreneurship and encourage innovation by creating a conducive ecosystem for startups to grow and thrive. The initiative aims to provide a conducive environment for startups to grow, drive economic growth, and generate employment opportunities.

The initiative has introduced several measures to support and promote entrepreneurship in India. These include providing easier access to credit, simplifying the business setup process, and offering tax exemptions to eligible startups. The initiative also offers support services to startups, such as incubation facilities, mentorship, and networking opportunities.

One of the objectives of startup India is to provide a platform for startups to connect with potential investors and mentors. The initiative has launched a dedicated online portal where startups can register and access various resources and support services. The portal also serves as a marketplace where startups can showcase their products and services to potential investors and partners.

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Another aspect of the startup India initiative is its focus on fostering innovation and creativity. The initiative has introduced several programs to promote innovation among startups, such as the startup India Seed Fund Scheme, which provides financial support to startups to help them develop and test their ideas. In addition, the startup India initiative has also introduced several measures to improve the ease of doing business in India. These include simplifying obtaining licenses and permits, reducing the time and cost of setting up a business and providing easier access to credit.

### Opportunities for Entrepreneurs in India

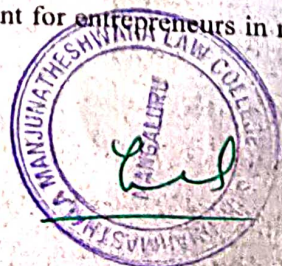
India's population is a significant asset for the country. This population will be an added advantage for the development of startups, as the unorganized state of Indian infrastructure provides a lot of scope and opportunities for the young brains of the nation. If we look at the recent trends, MBA graduates, as well as IITians, prefer entrepreneurship as they believe that they have unique ideas which would contribute not only to their self-progress but also to the nation benefiting the larger mass of society.

The startup ecosystem is getting support from foreign investors, Tiger Global Management, a New York-based company; DST Global, a Russian-based company; Softbank, a Japanese Telecom, to mention a few of the eighteen unicorn companies having FDI. Moreover, Startups like Flipkart, Ola, Swiggy, and Paytm have significant foreign stakes and are valued at over one billion dollars.

In recent years one can see the immense growth of startups, primarily due to risk-taking and innovative young and enthusiastic entrepreneurs, and the launch of the startup India scheme provided a conducive environment for the growth of startups. Moreover, at the same time, it cannot be said that the development of startups in India is purely due to the startup India initiative, but rather the aspect of entrepreneurship had come to India due to globalization itself. Nevertheless, today it can be said that startups are emerging to be a significant contributor to the Indian economy as per the data in the [www.startupindia.gov.in](http://www.startupindia.gov.in) website, which states that India being the third largest startup ecosystem in the world, is expected to witness an annual growth of 12 to 15 percent.

*Few areas where the opportunities for entrepreneurship are vast:*

1. **Tourism Sector:** the presence of heritage sites, hill stations, the Ayurveda system, and diverse cultures attracts significant domestic as well as international tourists, and thus there is scope for the creation of hospitality services with trained professionals to provide not just accommodation and transport services but also to provide trained guides to the tourists.
2. **Energy sector:** as the requirement for energy is on the rise for different use, starting from house needs to industrial needs, there is a need to fulfill the demands of energy requirements of various sectors as well as production and supply for electrical devices and other accessories. The stress on green energy also provides vast opportunities for developing solar plants, manufacturing and selling solar equipment, and testing and developing other natural energy sources.
3. **Automobile sector:** a high scope is prevalent for entrepreneurs in manufacturing



automobile components lubricants, developing service centers, providing on-the-move services, and so on.

- 4. **Health Sector:** due to the enormous population and health needs, there is a relatively high scope as some regions lack quality health services. Apart from that, the current demand for ayurvedic treatment also brings in vast opportunities for entrepreneurs who can provide quality hospitals and services, distribution of medicines, biomedical engineering, home services like collecting blood samples, distribution of doctor-prescribed medicines, and other requirements.

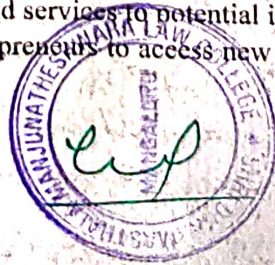
There are vast opportunities for entrepreneurs in sectors like the agricultural sector, service sector, water and waste management, environment, and its protection, tackling the issue of plastic pollution, recycling, development of eco-friendly products, and many others.

**Entrepreneurship can contribute to socioeconomic development in various ways:**

- 1. **Innovation:** Innovations are necessary for a nation to develop and compete with the rest of the world, and entrepreneurship is the best answer for innovation. With the advent of technology, the innovative scope for the use of technology for various aspects of life is relatively high, and these innovations could boost the economic output also; for example use of technology in agriculture not only enhances productivity but also leads to economic growth.
- 2. **Employment:** the development of any economy depends on employment. A low employment rate indicates that the economy is in a poor state, and thus entrepreneurship can play a role in job creation. Considering India's vast population, an entrepreneur would get a diverse population required for different jobs. People would be willing to work because of the wage involved, which would improve their standard of living.
- 3. **Social Change:** entrepreneurship could be focused on social issues concerning society and bringing solutions to the existing problems within society. For instance, Sulab Sauchalaya of Bindeshwar Pathak, Spiti Ecosphere of Ishita Khanna.

The startup India initiative has created several opportunities for entrepreneurs in India. Entrepreneurs can leverage these opportunities to grow and succeed in their businesses.

- a) **Easier Access to Finance:** The startup India initiative has introduced several schemes and programs to provide easier access to finance for startups. It has opened opportunities for entrepreneurs to obtain the necessary funding to support their operations and grow their businesses.
- b) **Support Infrastructure:** The startup India initiative offers support services, such as incubation facilities, mentorship, and networking opportunities, to help startups grow and succeed. It has created opportunities for entrepreneurs to access the support and resources they need to grow their businesses.
- c) **Market Access:** The startup India initiative has launched a dedicated online portal where startups can showcase their products and services to potential investors and partners. It has created opportunities for entrepreneurs to access new markets and expand their customer base.



- d) **Ease of Doing Business:** The startup India initiative has introduced several measures to improve the ease of doing business in India. It has made it easier for entrepreneurs to set up and operate their businesses and has reduced the time and cost of starting a business.

**Government Support for Entrepreneurship**

The fund support to the startups by the government of India has helped the startup firms to develop and sustain. The Mudra Yojana has sorted out the difficulties of entrepreneurs in getting funds with a simplified loan application process. SETU Fund, set up by the government of India, facilitates the growth of startups, with an amount of 1000 crore allocated by the government to support self-employment and further ease the process of permissions and licenses for the startup's government-launched E-biz portal to reduce the complexities in starting a business. This portal Integrates 14 regulatory permissions and licenses at one source, and it provides scope for faster clearance and thus improves the ease of doing business in India. Apart from that SAMRIDH Scheme, Start-up India Seed Fund Scheme, Atal Innovation Mission, and Stand Up India Scheme are some of the support schemes by the government of India for the promotion of entrepreneurship in India.

**Entrepreneurship Challenges**

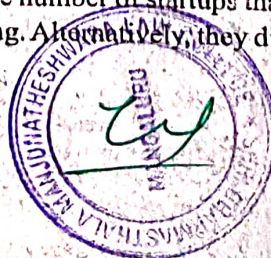
Indeed, in the case of tremendous openings, all entrepreneurs face multitudinous challenges. With the Indian government launching various schemes to promote small-scale industries, local businesses have mushroomed all over the country. Many startups have made considerable impacts in the past few years. However, it takes work; entrepreneurs need help. While companies like Paytm and Flipkart are examples of what a startup can achieve in a few short years, there are specific problems that only some entrepreneurs need help with while starting.

**Some of the challenges faced by entrepreneurs in India include the following:**

- a) **Cash Flow:** Obtaining funding for a company is one of the significant challenges that all businesses must overcome to exist. Even though one may have initially saved money to launch a business, it will only last for a while. Businesses bear harmonious fiscal inflow to survive, and one should always have redundant cash on hand to cover unlooked-for charges. It is always necessary to have a solid and steady cash inflow. Many entrepreneurs struggle to pay the bills (let alone themselves) while waiting for checks to arrive. Part of the problem stems from delayed invoicing, which is common in the entrepreneurial world. One performs a job, sends an invoice, then gets paid (hopefully) 30 days later. In the meantime, one has to pay everything from employees or contractors to one's mortgage to one's grocery bill. One must get paid to get by, and when a customer does not pay, one can risk everything. When the government offers help to deal with the same, they should be efficiently used.

Many startups in the new era need a more qualitative approach to entrepreneurship. Ensure that the company strategy is well-prepared and includes money for the worst-case situation. Keep in mind that one will likely have limited access to finances while starting a firm, which reduces one's margin for error.

- b) **Planning, Strategy, and Marketing:** The number of startups that fail because they "missed to remember" to plan is staggering. Alternatively, they did the map but only



partially covered some things. Sales, development, and finance are essential areas that should be considered. They must all be included in the company strategy from the beginning. Not only that, the need to plan for significant events one cannot foresee. In other words, even if one cannot account for every scenario, he still needs to know what to do when not, if events take an unexpected turn.

Some new businesses believe they can only partially disregard marketing methods and count on word-of-mouth advertising to cover their needs. It is crucial to establish visibility among one's customers as a startup. Accessing one's target customers must utilize efficient marketing strategies within a constrained budget. However, without taking a collective initiative to build them with a well-organized approach to advertise one's startup, it is erroneous to put on one's faith in clients' discovering one's business.

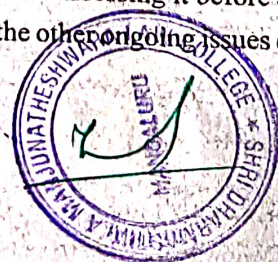
- c) **Hiring the Right:** Specific chops are necessary for the development as well as the survival of any organization. Understanding the unique skills needed and knowing how to bring those important people on board might make or break how successful one's startup grows. Finding the most excellent staff takes time, which costs money. For a small team, the hiring process takes up significant time that could be used in other company operations. However, on the other hand, a lack of the proper personnel can result in severe bottlenecks and can postpone the introduction of new goods or services. Every startup must deal with this problem, especially early on.

Trying to reach out to remote areas as workers in small cities and villages often want to move out and, once trained, is an excellent choice for the entrepreneurs to overcome the challenge of piling up of hamstrung people. Further, for jobs where a person does not need to be physically present in the office, looking for skilled workers in other cities and states can save much money that would otherwise be spent on developing a physical office for them. It will also allow them to work with a company based in metros and move out when required.

- d) **Self-Doubt:** Making decisions is one of the most daunting and frustrating issues entrepreneurs deal with because they frequently consider how even little choices may affect the firm and its finances. Entrepreneurs frequently feel solely accountable for the success or failure of their business endeavors, and they always face a dilemma. Diversions and changes from the original concept abound as well. All of this may be taxing for the business owner. Changes should be welcomed with little opposition since the environment in which most new enterprises operate should be acknowledged as a reality.

Entrepreneurs must maintain countenance and stay committed to their pretensions. Self-doubt also causes people to second-guess their previous decisions and whether they were appropriate. They only learn to make hundreds of choices a day, large and little, without second-guessing themselves or frequently experiencing decision fatigue over time. They can begin by using the 5 phases of the decision-making method to arrive at important decisions, even if getting there will take some patience and practice. These include determining their objective, examining their alternatives, taking into account the repercussions, making the decision, and assessing it before approving it.

- e) **Utilizing the Criticisms:** Criticisms are among the other ongoing issues entrepreneurs



have to deal with; it can be about their business concepts, minor errors in business judgment, or even the company's initial launch. Even successful businesspeople like Ratan Tata and NR Narayana Murthy have endured criticism. One could experience it more as a new business owner and receive regular warnings about how one's company could collapse. Sometimes these critiques may even become hostile because they feel frightened and jealous of the new venture. One must learn to confront them head-on and sort the exemplary businesspeople from the bad if one wants to succeed, thus utilizing those words to build a near-to-perfect venture.

- f) **Time Management:** One cannot afford to squander time as a novice since it will ultimately cost one more, so he must be wise in how to spend each nanosecond. Moreover, he must do this by making a list of goals that are separated into weekly, monthly, and yearly goals. Even the most successful business owners need help managing their time. Organizing the week properly and dividing it up into daily chores. Concentrating on reaching daily goals, weekly goals, and eventually, annual goals will follow naturally. Additionally, this will enable one to keep track of things and determine the progress toward professional objectives. They only need to ensure that their smaller objectives align with their company's overall aims and vision.

### Entrepreneurship Legal Issues

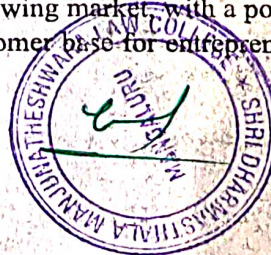
Entrepreneurs in India need to be aware of the various legal issues that they may face and take steps to comply with the relevant laws and regulations. It will help them to avoid legal problems and to operate their businesses smoothly.

Some of the legal issues that entrepreneurs in India need to consider are the following:

- a) **Compliance with Business Laws and Regulations:** Entrepreneurs in India must ensure that they comply with the various laws and regulations governing the setting up and operation of businesses in the country. It includes company registration, taxation, intellectual property, and labor laws.
- b) **Employment Laws:** Entrepreneurs in India need to comply with the various employment laws in the country, such as those related to minimum wages, working hours, and safety and health. It is essential to ensure they provide a fair and safe working environment for their employees.
- c) **Consumer Protection Laws:** Entrepreneurs in India must ensure that they comply with the various consumer protection laws in the country. Protecting consumers' rights and avoiding penalties and other legal repercussions is essential.
- d) **Environmental Laws:** Entrepreneurs in India must comply with the country's various environmental laws and regulations. It is essential to protect the environment and avoid penalties and legal repercussions.

### Conclusion

India has one of the fastest-growing economies in the world, with a strong focus on entrepreneurship and innovation. It provides a favorable environment for entrepreneurs to start and grow their businesses. India has a large and growing market with a population of over 1.3 billion people. It provides a vast potential customer base for entrepreneurs to tap



into. The Government of India has introduced several measures to support and promote entrepreneurship in the country. These include providing easier access to finance, simplifying the process of setting up a business and offering tax exemptions to eligible startups. India is undergoing a digital transformation, with many people accessing the internet and using digital services. It provides opportunities for entrepreneurs to develop and offer digital products and services to a growing market.

The Start-up India initiative has helped create a more favorable environment for entrepreneurship in India and has supported many aspiring entrepreneurs. However, there is still a long way to go to fully realize the potential of India's startup ecosystem. While the startup India initiative has successfully promoted entrepreneurship and innovation in India, there are still some challenges that entrepreneurs need to overcome. Furthermore, the challenges entrepreneurs face in India must be addressed to create a conducive ecosystem for startups to grow and thrive. The Government of India and other stakeholders need to take steps to address this.



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