



START-UP: A STUDY ON CHANDRAPUR DISTRICT

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Abstract:

The actual origin of the startup was America, then gradually this modern business got its feet all over Europe. Now in Asia, we have startups going strong in India and China. Cities like Bangalore, Pune, Mumbai, and Delhi are giving birth to different startups every day. If you have a brilliant idea in your mind then there is no doubt that you can become a successful entrepreneur through a startup, only you need to have a strong will and make your idea a reality. There are many examples of startups like Ola, Uber, and Swiggy that have built huge empires by attracting investors on the strength of their good ideas. Under the government's scheme Make in India, you can get a loan of up to ten lakh rupees for your startup. Presently looking at the rising unemployment, anyone can start a business with any idea and create employment for other people as well. In this research paper, start-up has been studied in the context of Chandrapur district.

Keywords:*Start-up, Business, Employment, Chandrapur District, Unemployment, Investment*
Research Methodology:

The research paper has depended on secondary data.

Objective of Research:

- 1) To study the Role of Startups in the Economic Development of Chandrapur District.
- 2) To study the present situation Startups in of Chandrapur District.

Introduction:

The use and popularity of the term startup have grown over the years. In recent times many young entrepreneurs full of ambition, ideas, and passion are starting their own companies and many of them are finding success. Start-ups can change the world and in coming years more and more start-ups will grow with innovation and creativity. Very important thoughts are filled in the hearts and minds of such young entrepreneurs. If we see the name of a startup, it is understood that it is talking about the beginning of something and when we see it in the context of business, it is called a startup, where the world is engaged in the search for a new product. Innovations are happening everywhere, now a lot of research is being done to give something unique to the customer. Simply put, many people have started taking any problem in the market, researching it, and finding a solution. But some people become successful in it and some people fail in it. There may be many ideas in one's mind but the actual implementation of an idea is more important. The best thing to do is to execute an idea and work for its prosperity. If one thinks that there is no rival to his idea, he may be completely wrong. That's why it becomes necessary to know about startups.

Raising capital from investors is a difficult and time-consuming task for any start-up. The world of funding can be complex and challenging for a start-up entrepreneur. Before meeting any new entrepreneur, business investors expect to know a short and interesting summary of their business so that they can make financial decisions based on the summary. For this, the start-up concept, business structure, and other aspects are studied. Every start-up



entrepreneur needs to know the business process, selection of location and layout, decision-making about operations, planning and control, preparation of project reports, and sources of funds.

A startup company is a company that is in the initial stage of its operation established by a few people. Here people work with their skills and specialties and think about how to work on the startup idea thus providing unique products and services to the customers. There is no clear-cut rule on what is the proper definition of a start-up. While this definition constitutes an absolute rule, some trends are evident. Start-ups grow or want to grow rapidly. A start-up is a company working to solve a problem in society where the solution is unclear and there is no guarantee of success. Every start-up needs to provide quality to customers to sustain their business. On this basis, these startups grow and become successful. Start-ups are vital to the economic prosperity of a nation. Any start-up business is based on a sole proprietorship or partnership or limited liability company (LLC).

A startup is an enterprise based on innovation and technology. This concept is quite old in the West. Now we are starting to take this concept seriously. In today's new era, the government expects new industries to generate employment along with traditional employment generation. Industry, after asking to introduce Inspector Raj, the central government is making special efforts that various taxes, lack of capital, and hindrances in investment should not come in the way of the youth.

Location can also play an important role in attracting funding for a startup and the location of the business determines how far the business will go and how profitable it will be. Any entrepreneur needs to find a location that suits investors who seek low tax rates and high income and capital gains. It is also important to be realistic about the complexities involved in setting up a business. This requires that the organization have efficient processes, appropriate equipment, and sufficient data to determine what action to take. Proper infrastructure is needed for any business. The most successful entrepreneurs today are those who think creatively. They think not only about their services but also about earning money.

Start-up is a concept that means something different to every person and there is no one-size-fits-all answer. Take any new idea and make it a reality or you come up with a unique idea that is not available in the market and which is needed by the people. An industry that started to make such an idea a reality is called a start-up industry.

Start-Up: A Study on Chandrapur District:

Role of Startups in the Economic Development of Chandrapur District:

The role of start-ups is very important for the economic and social development of Chandrapur district, which means that the culture of entrepreneurship development in the district is essential for more start-ups. In the current era, the role of start-ups in economic prosperity is increasing. Companies are developing rapidly in the district, based on which the growth rate is increasing. Start-ups have fueled the economy based on revolutionary technologies and created new industries over time. One thing that has been fully acknowledged by policymakers is the critical role of start-up companies as key drivers of economic growth. Employment generation is the main advantage of start-ups as new start-up companies are creating more jobs in the district than large enterprises. Start-ups are attracting investors to invest in their companies. The citizens of the country are getting benefitted from the development of startups.



Start-ups can adopt innovation and technology to improve production and productivity. Start-ups also contribute to promoting research and innovation systems and inculcating values of activism in society. Currently, most technology start-ups are outsourcing their operations. It helps start-ups to increase cash flow. Start-up entrepreneurship changes the values of society and develops a new mindset based on knowledge and creativity in line with society. They help in improving the lifestyle of the people. Many startups are working for the development of society in the rural areas of the district.

New competitive dynamics in economic development Start-up companies are the most dynamic economic entities in the market, as these companies provide additional dynamism and competitiveness to economic development. Support and encouragement are being given to start-ups in the district. Several start-up schemes are helping budding entrepreneurs to realize their dreams and create more jobs. Key factors like tax transparency and licensing have been included to encourage start-ups and progressive policies are required from the government to support this direction.

Startups drive economic growth and progress within the geographical boundaries of any country and fuel the growth and development of nations through innovation and creativity. Startups in Chandrapur district are increasing positivity in the district by giving benefits in many ways. Startups in Chandrapur district are contributing a lot to the economic prosperity in the development of the district. In recent times, Indian startups are slowly progressing and evolved into global organizations manufacturing commercial products and services for the international market. The role of startups is not limited to job creation and capital formation but also helps in reducing the concentration of economic power. They contribute to the development of a better standard of living and a better society.

Various Government Schemes Applicable for Start-ups in Chandrapur District:

In the Chandrapur district, the Ministry of MSME has introduced several innovative government programs and plans for the development of startups and MSMEs. The Indian government is quite clear about Micro, Small, and Medium-Sized Enterprises (MSMEs) and startups. By 2024, the Indian government hopes to expand MSMEs' present 29% GDP contribution to 50%, creating 15 crore jobs in the process. To provide startups and small businesses additional resources and a platform for better growth, the Ministry of Micro, Small, and Medium Enterprises has introduced a number of government programmes.

The success of the Atmanirbhar initiative and the government's Make in India ambition depends on startups and MSMEs. The goal is to expand employment, boost exports, raise living standards for millions of people, and elevate the district on a worldwide scale. India's startup environment, particularly its tech startup ecosystem, is among the fastest-growing in the world. Last year, venture capitalists gave a record \$48 billion to Indian companies and ideas to expand their presence. Indian startups, MSMEs, and entrepreneurs are therefore in a unique situation right now since both the government and private investors want them to flourish and establish a foothold. felt everywhere. In order to support startups and MSMEs in the Chandrapur area, the Government of India, and the Ministry of Micro, Small, and Medium Enterprises have established a number of government initiatives. Here are the top government schemes for Startups and MSMEs, which can help boost their business growth-



1. Startup India Scheme

Startup India Scheme is a scheme launched by the Government of India. Startup India Center has been started for entrepreneurs under this scheme. Startup India Scheme is an important government scheme that was launched to encourage and support startups in the Chandrapur district by providing bank financing. The main objective of Startup India, organized by the Department for Promotion of Industry and Internal Trade, is to remove some restrictive policies of the state governments. Which includes:

1. Regarding the license
2. Land Permit
3. Foreign Investment Proposal
4. Environment Clearance

The Startup India scheme is mainly based on three pillars which are mentioned below:

1. To give diverse start-ups in the nation financial aid and incentives.
2. Industry-Academia partnership and providing incubation.
3. Facilitation and handholding.

Action Plan of Startup India Scheme

The action plan of Startup India is based on the following elements.

1. Simplification of work: This initiative seeks to make work easier to motivate new entrants. This includes other steps taken by the government.

- Firstly, government has set up a Startup India Hub where all work related to incorporation, registration, grievance redressal, etc. is done.
- Secondly, to enable registration at any time and from any location, the government has established an online gateway.
- Third, patent acquisition and registration for startups have now become faster.
- Lastly, the Insolvency and Bankruptcy Bill, of 2015 helps startups accelerate. A new startup can liquidate itself within 90 days of establishment.

2. Financial Assistance: To motivate startups, the government provides various types of financial assistance.

The following are the actions that the government has done.

- Government for 4 years (Rs. 2500 crores per year) Rs. 10,000 crore fundshave been created. Through such funds, the government invests in various startups.
- Special funds are provided, investments in which capital gains are exempt from income tax.
- Income tax exemption is available to Startups for the first 3 years after incorporation.
- Under the Income Tax Act, where a startup (company) receives any consideration for the issue of shares over the fair market value of the shares, such excess consideration is taxable in the hands of the recipient as income from other sources.
- Investments made by Venture Capital Funds in startups are exempted from the application of this provision. The same applies to investing in startups through incubators.

Advantages of Startup India

After launching the Startup India scheme, the government launched a new program called the i-Made program, which focused on helping Indian entrepreneurs build 1 million mobile app start-ups. The Government of India also launched the Pradhan Mantri Mudra Yojana to provide



financial assistance to entrepreneurs from low socioeconomic backgrounds through low-interest rate loans. Some of the key benefits of Startup India are as follows:

- Reducing patent registration fees.
- Bankruptcy Code was amended to ensure a 90-day exit window.
- Exemption from secret inspection and capital gains tax for the first 3 years of operation.
- Creation of Innovation Hub under Atal Innovation Mission.
- Target 5 lakh schools and involve 10 lakh children in innovative programs.
- To develop new schemes for providing IPR protection to startup companies.
- To promote entrepreneurship across the country.
- Promote India as a start-up hub globally.

Following are some of the benefits of Startup India.

Financial Benefits

Most startups are based on patents. This means that they create or offer unique goods or services. To register their patent, they have to incur heavy expenditure which is known as patent cost. Under this scheme, the government gives a rebate of 80% on the patent cost. Also, patent registration and the related process are faster for them. Also, the government pays a facilitator fee for obtaining a patent.

Income Tax Benefits

Startups get good benefits in the income tax head. After the establishment year, the government exempts them from income tax for 3 years. But they can avail of it only after obtaining the certificate from the Inter-Ministerial Board. Also, if they invest in specified funds, they can claim an exemption from capital gains tax.

Benefits of Registration

Everyone believes that setting up and registering a business is much more difficult than running it. This is due to the long and complicated stages of registration. Startup India is an online portal to facilitate registration under the scheme. Also, the query and problem-solving window is single.

Government Tenders

Everyone tries to get government tender because of higher pay and bigger projects. But getting government tender is not easy. Startups get priority in getting government tenders under this scheme. Also, they do not require any prior experience.

huge networking opportunity

Opportunities to network are occasions to connect with numerous startup stakeholders at a certain place and time. The government offers this chance by annually hosting two startup festivals on both a domestic and international level. Additionally, courses and awareness campaigns about intellectual property are offered through the Startup India program.

2. Pradhan Mantri Mudra Yojana

Prime Minister Modi launched the Pradhan Mantri Mudra Yojana, in which Micro Units Development and Refinance Agency Bank or Mudra Bank provide loans to micro-finance institutions and non-banking financial institutions at low-interest rates to startups and MSMEs. provide loans.

Therefore, Pradhan Mantri Mudra Yojana is a corpus of funds designed and envisioned to empower Indian entrepreneurs. Loan up to Rs 10 lakh can be availed under Mudra Yojana.



It was launched in 2015 and within 2 years more than 1.8 crore jobs were created through lending and trading through Mudra. Till August 14, 2020, more than 67 lakh loans worth Rs 48,000 crore have been sanctioned under Mudra Yojana.

Mudra Yojana includes the following three categories:

Child: A loan of Rs 50,000 can be availed under the child category

Kishor: Loans ranging from Rs 50,000 to Rs 5 lakh are given in the Kishor category.

Tarun Category: Loans ranging from Rs 5 lakh to Rs 10 lakh will be available under the Tarun category

3. Credit Guarantee Trust Fund for Micro and Small Enterprises (CGT SME)

Credit Guarantee Trust Fund CGT SME is one of the biggest startup loan schemes launched by the Ministry of MSME in the Chandrapur district. Under this government scheme, collateral-free loans of up to Rs 1 crore are provided to eligible startups and MSMEs. The credit guarantee is disbursed through a trust called the Micro and Small Enterprises (CGTMSE) Credit Guarantee Fund Trust.

4. Financial Assistance to MSMEs under ZED Certification Scheme

Focused on existing and new manufacturing units, the ZED or Zero Effect mission aims to encourage manufacturers to create better products with high quality and zero defects. It focuses on enabling manufacturers to adopt world-class manufacturing processes and use technology to ensure that their products are best in class.

The government program will offer both financial assistance and the necessary tools and technology to guarantee that their products will be free of flaws. MSMEs and startups can both sign up for the ZED program.

5. Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

The government is aware that technology can help Indian entrepreneurs and MSMEs compete with their counterparts on a global scale. This is the rationale for the development of the Credit Linked Capital Subsidy for Technology Upgrading (CLCSS) government program, through which the government offers MSMEs financial aid so they may modernize their technology and install cutting-edge technology platforms for their company.

6. Design Clinic for Design Expertise to MSMEs

Design and innovation are key to any sector and every startup and MSME needs a design-centric approach to solve their specific problems. To encourage small businesses to experiment and use new designs for their products, the Ministry of MSME has set up a Design Clinic to inspire startups and design experts for MSMEs.

Under this government scheme, the government will assist Rs 60,000 and Rs 3.75 lakh or up to 75% of the cost of the seminar to attend a design seminar, where the entrepreneur and/or his team can learn and apply design theory and learn more about them. Through this program, entrepreneurs can learn about the latest trends and practices related to design, interact with other designers, and entrepreneurs, and learn in-depth about design mindset and principles.

Under CLCSS, the government gives a 15 percent subsidy on investments up to Rs 1 crore.

7. Make in India

As part of the "Make in India" initiative, the government proposes to organize a start-up festival at the national level every year to enable all stakeholders of the start-up ecosystem to come together on a single platform. The Indian economy is growing optimistically, with signs of strong growth in the country and an improvement in the overall outlook for trade and investment. With



the help of innovative efforts and initiatives of the government, there has been a lot of improvement in the construction sector. The 'Make in India' programme was introduced by the Honourable Prime Minister Shri Narendra Modi on September 25, 2014, with the goal of promoting manufacturing and making India a significant investment and centre for manufacturing, infrastructure, and innovation.

Making manufacturing a priority, "Make in India" also seeks to encourage entrepreneurship throughout the nation. Its goals include developing infrastructure that is up to date and effective, opening new markets to foreign investment, and fostering collaborations between the public and private sectors.

The 'Make in India' initiative is getting positive responses from within the country and abroad. Since the launch of the campaign, the Investor Facilitation Cell of Invest India has received over twelve thousand queries on its website. Countries such as Japan, China, France, and South Korea have shown support for investment in India in various industrial and infrastructure projects.

8. Launch of Atal Innovation Mission AIM

Fostering entrepreneurship via self-employment and talent utilization (SETU), where aspiring businesspeople will receive guidance and support to help them succeed. Additionally, it offers a place for the generation of original ideas.

Conclusion:

The growing awareness of entrepreneurs among the youth in the district is very good, but they are still facing many challenges. Lack of entrepreneurial climate in the area, lack of financial capability to acquire good knowledge, lack of mentorship, and negative attitude towards business is still prevalent in the Marathi mindset, youth are still away from industries. If these youths get the right guidance, then definitely the winds of entrepreneurship will blow in the areas of Maharashtra. This requires full effort. Efforts should be made at the government level. Starting a startup requires a lot of focus and dedication. You need to make up your mind to start a startup. If you want to start your startup then you must identify a problem in society and also have a personal experience with this problem. Before starting a startup, it has to be seen what problem is coming and how many people's life can be made easier by solving this problem, when and how often this problem comes, and which class of people is facing this problem. Have been Global data shows that startups have created more jobs in the country than any other large company or industry. Supporting startups in the Chandrapur district will help them emerge as a top priority globally. Startups also contribute to economic dynamism by increasing and intensifying market competition, allowing consumers to benefit from lower prices and product diversity, and encouraging upstream and downstream value-chain activities.



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