

ISSN No: 2231-5063



Impact Factor: 4.6052(UIF)[Yr. 2015]

"Make in India : A Myth or Reality"



By

K.M. AGRAWAL COLLEGE OF ARTS COMMERCE & SCIENCE,
NAAC Reaccredited with Grade 'A'

Kalyan Padgha Road, Gandhare, Kalyan(W) – 421 301.
Dist. Thane, Maharashtra.

Editors

Prin. Dr. Anita Manna
Dr.(CA) Mahesh Bhiwandikar



GOLDEN RESEARCH THOUGHTS

Content

ISSN NO:-2231-5063

Impact Factor : 4.6052(UIF)

Sr. No	Title and Name of The Author (S)	Page No
1	A Critical Analysis Of Start-Up India, Stand Up India Campaign Dr.(CA) Mahesh Bhiwandikar	1
2	'Skill Development ', A Capacity Building Initiative For Make In India Aann Jerry	6
3	"Make In India"— Perception Among College Students-- A Study From Badlapur To Karjat Asst. Prof. Gulshan Miyagamwala	15
4	Make In India Campaign –An Overview Dr. (Mrs.) V. V. Nishandar	20
5	Making "Make In India" A Realism – Role Of FDI Dr. A.H. Shrirame and Prof. Santosh T. Karmani	24
6	Green Marketing In Service Sector Dr. Dilip B. Bhanagade and Deepa Shivaji Jamindar	30
7	'Make In India' And Gandhiji's Swadeshi Movement- Comparative Development Paradigms Of Inclusive Growth Dr. Marina B. Pereira	36
8	Promotion Of Yoga Under Make In India Dr. Mona Bhatia	41
9	Swachh Bharat Abhiyan (Social Reforms Under Make In India Drive) Dr. Mrs. Kailash R. Anekar	45
10	'Implications Of Make In India On Manufacturing Sector' Dr. Prashant Harishchandra Bhagat	49
11	A Study Of Myth-Relation With Sacred Trees In Thane District Dr. Rekha Gore	56
12	Make In India: A Study Of Government Booster Scheme (With Referece To Powerloom Industry) Dr. Rupesh Dubey and Dr. B. V. Dakore	73
13	Make In India- An Answer To Service Led Growth Dr. Shruti R Panday	80
14	Sustainable Forest Management Through Public Private Participation Under The Make In India Policy. Dr. Usha P. Oomman	87

GRT

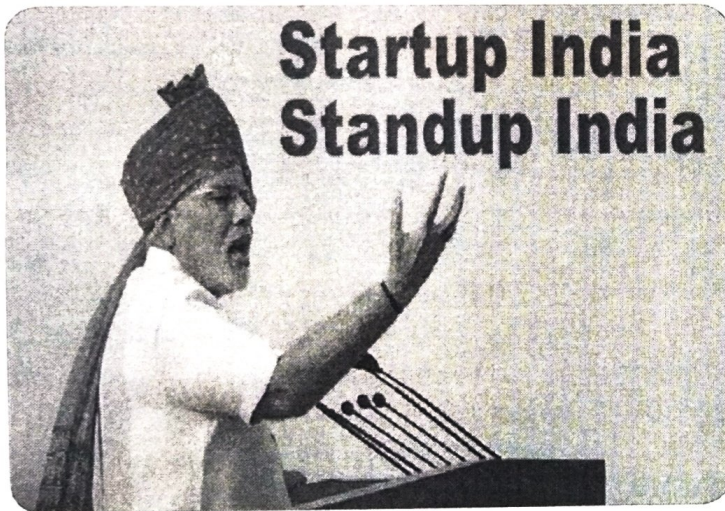
A CRITICAL ANALYSIS OF START-UP INDIA, STAND UP INDIA CAMPAIGN



Dr.(CA) Mahesh Bhiwandikar
HOD Department of Accountancy,
K. M. Agrawal College, of Arts, Commerce & Science, Kalyan.

ABSTRACT

The Hon'ble Prime Minister, Shri. Narendra Modi in his Independence Day address on August 15, 2015 unveiled his game changer campaign "Start-Up India Stand-Up India" to promote entrepreneurship at grass root level for economic empowerment and job creation. The Stand-Up India Scheme launched to coincide with the celebration of the 125th birth anniversary of Dr. Babasaheb Bhimrao Ambedkar, seeks to leverage the institutional credit structure to reach out to the underserved sector of people such as Scheduled Caste, Scheduled Tribe and Women entrepreneurs so as to enable them to participate in the economic growth of the nation. The scheme will benefit atleast 2.5 lakh borrowers through 1.25 lakh bank branch network located across the country.



The objective of the Stand-Up India Scheme is to facilitate bank loans between 10 lakh to 100 lakh to atleast one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and atleast one Woman borrower per bank branch of all scheduled commercial banks for setting up a greenfield enterprise.

This paper revisits the Startup India Standup India scheme framework concept, tries to explain its utility for grass root level entrepreneurs, organisations, policy makers and economic development practitioners and highlights certain recent examples of beneficiaries under the scheme.

KEYWORDS : Scheduled Caste, Scheduled Tribe, Women entrepreneurs, Institutional credit, borrower, greenfield enterprise, economic growth .

INTRODUCTION :

On 69th Independence Day of India, standing at the historic Red Fort, Mr. Narendra Modi announced the much needed 'Start-up India, Stand up India' campaign which is being welcomed by conglomerates like Soft Bank by identifying it as the beginning of Big Bang for Indian Start-up ecosystem.

The campaign "Start-Up India Stand-Up India" aims to promote entrepreneurship at grass root level for economic empowerment and job creation. The Stand-Up India Scheme launched to coincide with the celebration of the 125th birth anniversary of Dr. Babasaheb Bhimrao Ambedkar, seeks to

leverage the institutional credit structure to reach out to the underserved sector of people such as Scheduled Caste, Scheduled Tribe and Women entrepreneurs so as to enable them to participate in the economic growth of the nation. The scheme will benefit atleast 2.5 lakh borrowers through 1.25 lakh bank branch network located across the country.

The objective of the Stand-Up India Scheme is to facilitate bank loans between 10 lakh to 100 lakh to atleast one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and atleast one Woman borrower per bank branch of all scheduled commercial banks for setting up a greenfield enterprise.

OBJECTIVES OF THE STUDY

1.The primary goal of this study is to analyse the campaign of Stand up India Start up India, its preconditions and utility to the underserved sector of the Indian Population.

The secondary objectives are

- a.To Understand the need for implementation of Stand up India Start up India scheme.
- b.To appreciate the role of Indian Government and scheduled commercial banks in implementing this scheme.
- c.To create awareness amongst various stakeholders such as scheduled caste and scheduled tribes and women entrepreneurs and citizens about the benefits of the Stand up India Start up India scheme.

LIMITATION:

This study is based on the secondary data collected from Press releases, Government notifications, branches of various scheduled commercial banks, Journals, websites and periodicals. It is supported more by facts than by numerical data. The study is further limited to the discussion of the need of understanding the Stand up India Start up India scheme.

HYPOTHESIS

The Stand up India Start up India scheme is the best ever scheme launched by the Indian Government for upliftment of the underserved population and thereby promoting entrepreneur spirit amongst masses.

METHODOLOGY

This study is based on secondary data's. The information has been collected from authorities of the government, banks, prospective borrowers, journals and periodicals.

Statement and Significance

What is Start-up India, Stand up India ?

A start-up ecosystem comprises of entrepreneurs, different kinds of financial support such as debt financing, equity investments, grants, and non-financial support including incubation, acceleration support, mentoring and technical experts. It also includes the government policies and programmes relevant to start-ups, academia and other organisations and firms that in different ways interact with or support start-ups. The kinds of new start-ups that offer an opportunity for growth and employment generation are considered to be those that are innovating, driven and looking to scale. Cash flow, creating a capacity to scale and finding the right people have always posed to be major challenges for India start-ups and these are the issues that 'Startup India, Stand up India' campaign is aimed at addressing.

The event that witnessed the inauguration of this scheme by Mr. Arun Jaitley on 16 January 2016 was attended by top notch 40 CEOs, start-up founders and investors from Silicon Valley, including Masayoshi Son, CEO of Soft Bank, Sachin Bansal, founder of Flipkart and many others. The event was a huge success as it was for the first time when two lakh passes were sought to attend the Start-up India workshop at Vigyan Bhavan, New Delhi which has a total seating capacity of only 1,350 individuals.

According to the scheme that is announced, a start-up is an entity that is headquartered in India, which was opened less than 5 years ago and have an annual turnover less than Rs. 25 Crore (US \$ 3.7million).

Primarily, 'Startup India' campaign is based on an action plan aimed at promoting bank financing for start-up ventures to promote entrepreneurship and encourage start-ups with jobs creation whereas 'Stand up India' initiative is aimed at promoting entrepreneurship among SC/STs, women communities.

If we look back to the times before liberalisation, there was no such climate for a startup ecosystem to thrive. Even after the establishment of National Science and Technology Entrepreneurship Development Board (NSTEDB) in 1982, there was no such ecosystem even in a far sight. It was only in 1995-1996 that the startup ecosystem started to develop. It was possible because India started gaining a lot of experience and expertise in IT sector as more and more young boys and girls started moving to U.S and Europe as IT professionals. That's how sometimes the evil of 'brain drain' helps in disguise.

MAJOR ACTION PLAN

Prime Minister, Mr. Narendra Modi while addressing the first conference of start-up entrepreneurs introduced the action plan to foster the new start-ups. Here are the major key points of that action plan aimed at reviving the ecosystem of Indian Start-ups:

- 1.To reduce the regulatory burden on start-ups, self-certification option will be provided, and it will apply to laws like payment of gratuity, contract labour, employees provident fund, water and air pollution acts.
 2. Creation of start up India Hub for easy access to knowledge and funding at one spot.
 - 3.Ease of registration by filling up a short form through a mobile app.
 - 4.Legal Support for fast-track patent examinations at lower costs. (80 % rebate in fees for filing patent applications)
 5. In order to provide the infant start-ups with funding, the government will set up a fund with an initial corpus of Rs. 2500 crore and a total corpus of Rs.10000 crore over four years. This credit guarantee fund for start-ups would help the flow of venture debt from the banking system to start-ups by standing guarantee against risks.
 6. Exemption from Capital Gains Tax on investments made by incubators in start-ups.
 7. Income tax exemption for first three years.
 8. Innovation core programmes for students in 5 lakh schools
 9. The launch of Atal Innovation Scheme for encouraging innovation among people.
 10. Establishment of 35 incubators and 31 innovation centres at national institutes on PPP model.
 - 11.Establishment of 7 new research parks with an investment of Rs.100 crore each.
 - 12.Promotion of entrepreneurship in biotechnology by establishing 50 bio-incubators, 150 technology transfer offices and 20 bio connect offices.
 - 13.Faster exit option for start-ups in the case of bankruptcy or closure (within a period of 90 days).
- What is Stand-up India Scheme ?

The objective of the Stand-Up India Scheme is to facilitate bank loans between 10 lakh to 100 lakh to atleast one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and atleast one Woman borrower per bank branch of all scheduled commercial banks for setting up a greenfield enterprise.

The Stand-Up India portal provides a digital platform based on 3 pillars to support enterprises promotion among entrepreneurs from SC, ST and Women category through

1. Handholding support
2. Providing Information on financing
3. Credit Guarantee.

Potential entrepreneurs can navigate through the interactive portal for support services such as training, skill development programs, mentorship, guidance etc. or register for loans by accessing the portal. The portal also provides crucial links to Central and State SC/ST Corporations, Industry Associations of SC/ ST and/or Women entrepreneurs.

Problems and Prospects of the Scheme

Although the scheme looks promising for the initial boost, still there will be some hindrances which should be looked into. In India, Startups have always faced problems like corruption and government indifference, and the fear of giant corporates that might oppose or kill the start-ups which challenge them. The researcher is of the opinion that as far as government indifference towards policy making in this regard is concerned, the clouds seem to be clearing but the blight of corruption, and anti-competitive practices still looms over the budding saplings of start-ups. The setting up of 'inter-ministerial board' led by the Department of Industrial Policy and Promotion to decide on the 'innovative nature' of a enterprise in order to qualify the same as a start-up is also not a welcome step under this scheme because it is quite evident from past experience that the direct involvement of government is not desirable for the unbiased growth of start-up ecosystem. The researcher would like to recommend that it is a regulation which must be done away with if the government doesn't want new start-ups to register in a foreign land like Flipkart (a company whose founder is an Indian citizen) did in 2007 by registering itself in Singapore.

The Stand-Up India scheme is based on recognition of the challenges faced by SC, ST and women entrepreneurs in setting up enterprises, obtaining loans and other support needed from time to time for succeeding in business. The scheme therefore endeavors to create an eco system which facilitates and continues to provide a supportive environment for doing business. The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in three potential ways:

- Directly at the branch or
- Through SIDBI's Stand-Up India portal (www.standupmitra.in) or
- Through the Lead District Manager ((LDM)

CONCLUSION

The action plan promoted by Mr. Modi is a wave maker, but to make it a radical stimulus for the growth of start-ups, it is very much necessary that the power to decide the viability and existence of start-ups is taken away from the 'inter-ministerial board.' It is recommended that instead of 'inter-ministerial board,' a board of 'professional experts' should be set up to decide on the viability of start-ups. Further, to make sure that this board of 'professional experts' takes unbiased decisions on the applications received, a conclusive set of regulations should be made to regulate its conduct while making any decision on the 'existence and viability' as well as 'eligibility for tax benefits' of new start-ups. In the case of any conflicts arising out of bigoted decisions, one should be given an option to

The objective of the Stand-Up India Scheme is to facilitate bank loans between 10 lakh to 100 lakh to atleast one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and atleast one Woman borrower per bank branch of all scheduled commercial banks for setting up a greenfield enterprise.

The Stand-Up India portal provides a digital platform based on 3 pillars to support enterprises promotion among entrepreneurs from SC, ST and Women category through

1. Handholding support
2. Providing Information on financing
3. Credit Guarantee.

Potential entrepreneurs can navigate through the interactive portal for support services such as training, skill development programs, mentorship, guidance etc. or register for loans by accessing the portal. The portal also provides crucial links to Central and State SC/ST Corporations, Industry Associations of SC/ ST and/or Women entrepreneurs.

Problems and Prospects of the Scheme

Although the scheme looks promising for the initial boost, still there will be some hindrances which should be looked into. In India, Startups have always faced problems like corruption and government indifference, and the fear of giant corporates that might oppose or kill the start-ups which challenge them. The researcher is of the opinion that as far as government indifference towards policy making in this regard is concerned, the clouds seem to be clearing but the blight of corruption, and anti-competitive practices still looms over the budding saplings of start-ups. The setting up of 'inter-ministerial board' led by the Department of Industrial Policy and Promotion to decide on the 'innovative nature' of a enterprise in order to qualify the same as a start-up is also not a welcome step under this scheme because it is quite evident from past experience that the direct involvement of government is not desirable for the unbiased growth of start-up ecosystem. The researcher would like to recommend that it is a regulation which must be done away with if the government doesn't want new start-ups to register in a foreign land like Flipkart (a company whose founder is an Indian citizen) did in 2007 by registering itself in Singapore.

The Stand-Up India scheme is based on recognition of the challenges faced by SC, ST and women entrepreneurs in setting up enterprises, obtaining loans and other support needed from time to time for succeeding in business. The scheme therefore endeavors to create an eco system which facilitates and continues to provide a supportive environment for doing business. The scheme, which covers all branches of Scheduled Commercial Banks, will be accessed in three potential ways:

- Directly at the branch or
- Through SIDBI's Stand-Up India portal (www.standupmitra.in) or
- Through the Lead District Manager ((LDM)

CONCLUSION

The action plan promoted by Mr. Modi is a wave maker, but to make it a radical stimulus for the growth of start-ups, it is very much necessary that the power to decide the viability and existence of start-ups is taken away from the 'inter-ministerial board.' It is recommended that instead of 'inter-ministerial board,' a board of 'professional experts' should be set up to decide on the viability of start-ups. Further, to make sure that this board of 'professional experts' takes unbiased decisions on the applications received, a conclusive set of regulations should be made to regulate its conduct while making any decision on the 'existence and viability' as well as 'eligibility for tax benefits' of new start-ups. In the case of any conflicts arising out of bigoted decisions, one should be given an option to

approach the Indian Judiciary.

Other than this board of 'professional experts', we need some effective structural reforms that permit free and fair competition'. For example, Net neutrality is a policy requirement that will determine the future for tech start-ups or any other startups which want to float themselves on the net. The author is hopeful that if the above-mentioned policy and structural reforms are done, then this campaign of Government of India will prove to be Big Bang for the Indian start-up ecosystem.

REFERENCES –

Books & Reports

1. Press release by: Press Information Bureau, Government of India, Ministry of Finance, 10-May-2016 18:12 IST.
2. KPMG Report on Implications of new India-Mauritius tax treaty for Singapore investors

Magazines:

- 1) Business Magazine No. – 1236
- 2) Business Today – May-2016
- 3) Journal of Chartered Financial Analyst – June, 2016

Websites:

1. www.profitbooks.net/startup-india/
2. <http://www.indiatoday.intoday.in/education/story/start-up-india-stand-up-india/1/573128.html>
3. <http://www.startupindia.gov.in/registration.php>
4. <http://www.pc-tablet.co.in/start-india-stand-india-program-government-india/21165/>