



## EMERGING TRENDS AND SIGNIFICANCE OF ENTREPRENEURSHIP IN INDIA

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### **Abstract**

*Entrepreneurship has become a popular term in the recent times and it is a source of innovation, job creation and economic growth, as such it is pivotal to attract the young and the educated to become entrepreneurs but only less number of entrepreneurs can succeed in entrepreneurial business activities. In India entrepreneurship has great significance and the government of India is providing various Entrepreneurship development scheme in order to encourage the Entrepreneurs. In the present Indian context, where on the one hand, employment opportunities in public sector and large-scale sector are shrinking. It is very interesting to explore their intention for opportunity in the development of entrepreneurship. This paper focuses the various information related to the various Govt schemes offered to promote entrepreneurship, advantages, challenges and opportunities etc.*

### **Introduction**

The word entrepreneur originates from the French word, *entreprendre*, which means "to undertake" and was first defined by the Irish-French economist Richard Cantillon. Jean- French economist, is believed to have coined the word "entrepreneur" in the 19th century. He defined an entrepreneur as "one who undertakes an enterprise, especially a contractor, acting as intermediary between capital and labour" India is a country is the country with various natural resources and it is soon becoming the preferred manufacturing destination of most investors' across the world. Make in India is the Indian government's efforts to harness this demand and boost the Indian economy. The Indian economy has been witnessing positive sentiments during the past few months. The development of an entrepreneur refers to inculcate the entrepreneurial skills into a common person, providing the needed knowledge, developing the technical, financial, marketing and managerial skills, and building the entrepreneurial attitude. Entrepreneurial development programmers' may be defined as a programmers designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively With the advent and swift developments in the field of technology and the forces of globalization, world has become a global village, characterized by an explosive growth in international business and competition. Being a part of the global economy is posing innumerable and substantial challenges for organizations and industries throughout the world. On the one hand, to survive, keep pace with speed of advancements and lead in the challenging world is hard, at the same time, this opens up various new and unexplored doors of opportunities. Entrepreneurship, which is one the most powerful economic force known to humankind, is empowering individuals to seek opportunity where others find intractable problems. Entrepreneurship is the symbol of business tenacity and achievement. It is a vital source of change in all facets of society However, there is intellectual disagreement whether entrepreneurs are born or made.

### **Elements of Entrepreneurship**

#### **Innovation**

An entrepreneur is the key and the major source of innovation and variation in an economy It is actually one of the most important tools of an entrepreneur's success. They use innovation to exploit opportunities available in the market and overcome any threats which are faced by them. So this innovation can be a new product, service, technology, production technique, marketing strategy, etc. Or innovation can involve



doing something better and more economically. Either way in the concept of entrepreneurship, it is a key factor.

### **Risk-Taking**

Risk-taking and Entrepreneurship go hand in hand. One of the most important features of entrepreneurship is that the whole business is run and managed by one person. So there is no one to share the risks with. Not taking any risks can stagnate a business and excessive impulsive risk-taking can cause losses. So a good entrepreneur knows how to take and manage the risks of his business. But the willingness of an entrepreneur to take risks gives them a competitive edge in the economy. It helps them exploit the opportunities the economy provides.

### **Vision**

Foresight and Vision is one of the main driving forces behind any entrepreneur. It is the energy that drives the business organization forward by using the foresight of the entrepreneur. It is what gives the business an outline for the future – the tasks to complete, the risks to take, the culture to establish, etc. All great entrepreneurs of the world that started with an entrepreneurship business are known to have great vision. This helps them set out short term and long term goals for their business and also plan ways to achieve these objectives.

### **Organization**

In entrepreneurship, it is essentially a one-man show. The entrepreneur bears all the risks and enjoys all the rewards. And sure he has the help of employees and middle-level management, yet he must be the one in ultimate control. This requires a lot of organization and impeccable organizational skills. An entrepreneur must be able to manage and organize his finances, his employees, his resources, etc. So his organizational abilities are one of the most important elements of entrepreneurship.

### **Review of Literature**

Three words were commonly used to connote the sense the French term carried: ad venture, undertaker and projector; these were used interchangeably and lacked the precision and characteristics of a scientific expression (Gopakumar, 1995). The earliest attempt to invest the concept with some economic content with some economic content could be traced to the works of an 18th century. Entrepreneurship as a concept gathered prominence in economic literature, the concept some analytical treatment and assigned the entrepreneur an economic role by emphasizing on “risk” as prominent entrepreneurial function (Gopakumar, 1995).

Cole (1968) the term entrepreneur represents an individual or a group of individuals who conceive, initiate and maintain for a succulently long period of time a social institution which produces economic goods or to put it differently, who perceive a business opportunity and create an organization to pursue it.

Haredero (1979) described agricultural entrepreneur as a person who introduces changes which directly or indirectly lead to higher agricultural inputs.

### **Objectives of the Study**

- To study the development of Entrepreneurship and the challenges faced by the entrepreneurs
- To know the Government schemes to promote Entrepreneurship



## **Government of India Initiative For Entrepreneurship Development In India**

The Government of India has undertaken several initiatives and instituted various policy measures to develop a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing in India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society. Recognizing the importance of women entrepreneurship and economic participation in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women.

### **ATAL Innovation Mission**

The Indian government announced the Atal Innovation Mission (AIM) In the budget session of 2015 with the name coming from Atal Bihari Vajpayee, the Former Prime Minister of India. Atal Innovation Mission was established to create a promotional platform involving academicians and draw upon national and international experiences to foster a culture of innovation, research, and development. The government allocated AIM about INR 150 crores in the year 2015)

### **E Biz Portal**

Government-to-business(G2B), this is the first electronic portal. The main purpose of this portal is to transform and develop a conducive business environment in the country. E-Biz Portal was developed by Infosys in a public-private partnership model. It is a communication center for investors and business communities in India. The portal has launched 29 services in 5 states of India, viz., Andhra Pradesh, Delhi, Haryana, Maharashtra, and Tamil Nadu. The government will add more services to the scheme with time to time.

### **Dairy Processing and Infrastructure Development Fund (DIDF)**

The National Bank for Agriculture and Rural Development (NABARD) is an apex development bank in India. The Government of India announced the creation of Dairy Processing and Infrastructure Development Fund under NABARD in the Union Budget of 2017-18 for the sustained benefit of farmers. The total corpus for this fund is INR 8000 crores over a period of 3 years (i.e. 2017-18 to 2019-20) Milk Unions, multi-state milk cooperatives, state dairy federations, milk producing companies, and NDDDB subsidiaries meeting the eligibility criteria under the project can borrow loan from NABARD. The loan component would be 80% (maximum rate) with the end borrower's contribution at 20 % (minimum rate). Borrowers shall get the loan at an interest rate of 6.5% per annum. The period of repayment will be 10 years. The respective state government will be the guarantor of loan repayment. Moreover, if the borrower is not able to contribute his or her share in the scheme, the state government shall step in.

### **Multiplier Grants Scheme (MGS)**

The Department of Electronics and Information Technology (DeitY) started the Multiplier Grants Scheme (MGS). The scheme objective is to encourage collaborative Research & Development (R&D) between industry and academics/institutions for the development of products and packages. Under the scheme, if the industry supports the R&D of products that can be commercialized at the institutional level, the government shall provide financial support which will be up to twice the amount provided by industry. MGS promotes and expedites the development of aboriginal products and packages. The



government grants would be limited to a maximum amount of INR 2 crores per project and the duration of each project could considerably be less than 2 years. It would be INR 4 crores and 3 years for industry associations

### Startup India Seed Fund

The Prime Minister Mr. Narendra Modi announced the launch of the 'Startup India Seed Fund' — worth INR 1,000 crores On 16 January 2021 to help startups and support ideas from aspiring entrepreneurs. He said that the government is taking important measures to ensure that startups in India do not face any capital shortage. The Prime Minister of India launched the Startup India Initiative in the year 2016. The idea is to increase wealth and employability by giving wings to entrepreneurial spirits. The government gives tax benefits to startups under this scheme and 798 applicants have made use of this scheme to date. The Department of Industrial Policy and Promotion is maintaining this initiative and is treating it as a long term project. Moreover, the overall age limit for startups has been increased from two years to seven years. And for biotechnology firms, the age limit is ten years from the date of incorporation. It is one of the best government-sponsored startup schemes for entrepreneurs as it provides several concessions.



Source: Google Images

### ASPIRE

A Scheme for promoting Innovation and Rural Entrepreneurship and the government has made continuous efforts to improve the social and economic aspects of life in rural areas of India. Since 56% of the Indian population lives in the rural areas, the government is promoting entrepreneurship and innovation in the rural sector. The ASPIRE scheme aims at increasing employment, reducing poverty, and encouraging innovation in rural India. However, the main idea is to promote the agro-business industry. The Ministry of Medium and Small Enterprises has tried to boost economic development at the grassroots level. The total budget of the scheme was INR 62.5 crores for the period of 2014-2016.



### **Mudra Bank**

The government has introduced this scheme to support small businesses in India. In 2015, the government allocated INR 10,000 crores to promote startup culture in the country. Micro Units Development Refinance Agency (MUDRA) banks has been created to enhance credit facility and boost the growth of small business in rural areas. The MUDRA banks provides startup loans of up to INR 10 lakhs to small enterprises, business which are non-corporate, and non-farm small/micro enterprises. MUDRA comes under Pradhan Mantri Mudra Yojana (PMMY) which was launched on 8 April 2015. The loans have been categorized as Tarun, Kishore, and Shishu. The assets are created through the bank's finance and there is no collateral security.

### **Multiplier Grants Scheme (MGS)**

Multiplier Grants Scheme was Launched by Department of Electronics and Information Technology (DeitY), MGS has been launched to 'encourage collaborative R&D between industry and academics/R&D institutions for development of products and packages.' This startup scheme is valid till March 31st, 2020, and have a corpus of Rs 36 crore for Startups, incubator/academia/accelerators engaged in electronics and information technology domain. Applicable Industries: Artificial Intelligence, Technology, Hardware, Internet of Things, IT Services, Enterprise Software, Analytics.

### **Modified Special Incentive Package Scheme (M-SIPS)**

This Scheme was Launched by Department of Electronics and Information Technology (DeitY) and supported by Center for Development of Advanced Computing or CDAC, M-SIPS aims to 'promote large-scale manufacturing in the Electronic System Design and Manufacturing (ESDM) sector. Besides infusing the startups with funds for expansion, M-SIPS will also provide subsidy up to 25% in establishing offices, research centers in SEZs, all over the nation. Applicable Industries: IT Hardware, Medical-tech, Solar Power, Automobiles, Healthcare, Semiconductors, Processors/Electronics, LEDs, LCDs, Avionics, Industrial Electronics, Nano-Electronics, Biotech, Strategic Electronics, Telecom and more.

### **Software Technology Park (STP)**

The Scheme **Software Technology Park (STP)** scheme is a totally export-oriented scheme for the development and export of computer software. This includes the export of professional services using communication links or media. The scheme is unique in its nature as it focuses on only one sector, i.e., computer software. The scheme integrates the government concept of "100% Export Oriented Units" (EOU), "Export Processing Zones" (EPZ), and the concept of Science Parks or Technology Parks as operating elsewhere in the world. The sales in the Domestic Tariff Area (DTA) shall be permissible up to 50% of the export in value terms. STP gives total depreciation on capital goods over a period of five years,

### **The Venture Capital Assistance Scheme**

This Scheme was Launched in 2012 by Small Farmers' Agri-Business Consortium (SFAC), this special scheme aims to assist agriculture based entrepreneurs to kick-start their agri-business. SFAC has tied up with 42 banks, which help them to disperse interest-free loans to farmers (individuals/groups), partnership firms, self-help groups, agriculture pass out/graduates, agri-preneurs, producer groups, and companies. Applicable Industry: Agriculture.



### **Credit Guarantee**

This Scheme Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has launched this unique Government scheme to help assist retailers, educational institutes, self-help groups, farmers and SMEs. Basically, the Credit Guarantee scheme has been launched to smoothen credit delivery system, as guarantee cover up to 85% is provided to the SMEs for loans up to Rs 5 lakh.

### **National Small Industries Corporation or NSIC**

This scheme has launched Raw Material Assistance scheme, which aims to assist manufacturers and MSMEs with procuring raw materials, both indigenous & imported. As per the Government Schemes helps the manufacturer's to focus on the quality of their products, as they can avail low-interest loans and financial help to get raw materials.

### **Infrastructure Development Scheme**

The Scheme National Small Industries Corporation (NSIC) has launched this unique scheme to help startups establish their own offices and infrastructure. However, only those companies which fall under the official definition of startups, as highlighted by the Ministry of Micro, Small and Medium Enterprises can avail this grant. Startups which are not registered with Software Technology Parks Of India Scheme can now get office space ranging from 467 sq.ft. to 8,657 sq.ft. There is no lock-in period, and it is applicable to all industries

### **SME Market Development Assistance**

The Development Commissioner has launched this scheme to help SMEs and small retailers get more attention at international trade fairs and exhibitions. Companies registered with Directorate of Industries/District Industries Centre can get up to 100% reimbursement on air-fares and cost of placing their stalls in such fairs/exhibitions, all over the world. This scheme is not specific to any industry and applicable to SMEs, retailers, and startups

### **Credit Linked Capital Subsidy for Technology Upgradation**

The Development Commissioner (MSME) has launched this Government scheme to help manufacturers, SMEs, and agri-startups to upgrade their existing machines and technologies. In case any SMEs registered with State Directorate of Industries have upgraded their machines, plants with state of the art technology, then they can apply for this grant, and receive funds to compensate their expenses. Applicable Industries: Khadi, Village or Coir industry, Manufacturing, Small Scale Industry, SMEs.

### **Atal Incubation Centres (AIC)**

This scheme headed by Atal Innovation Mission, AIC aims to promote innovation and entrepreneurship in India. Approved startups can get funding up to Rs 10 crore for a maximum period of 5 years, to cover capital and operational expenses. Industries Applicable: AI, AR/VR, Automobiles, Telecom, Healthcare, Aeronautics, Aviation, Chemicals, Nano-Tech, Pets, Animals, IT, Computers, Design, Non-Renewable Energy, Social Impact, Food and more.

### **Bridge Loan against MNRE Capital Subsidy**

Launched by Indian Renewable Energy Development Agency (IREDA), Bridge Loan Against MNRE Capital Subsidy aims to promote startups engaged in renewable energy ideas such as biomass power and small hydropower projects. Up to 80% of the project cost will be funded by IREDA, and the minimum funding allocated shall be Rs 20 lakh.



## Research Methodology

For the purpose of this study the secondary data has been taken from the various resources.

## Challenges faced by Entrepreneurs in India

Entrepreneurship is recognized as a panacea to many economic issues that arise in the Indian context. Having realized that, the government has facilitation of business establishment and empowerment of entrepreneurs on the top of its development agenda. While there is optimism building towards creating new businesses, World Bank has recorded that India is one of the most difficult countries in the world to start a business. It takes approximately 30 days for someone to start a business in India versus one day in New Zealand. Apart from rigid structure and bureaucracy that exists in starting their business startup entrepreneurs face several challenges and hurdles along the path to growth. Some of the challenges that an entrepreneur needs to be prepared for and address during their journey are listed as below.

- **Capital Deficiency**
- **Team Competence**
- **Lack of Reliable Mentors**
- **Art of Learning from Mistakes**
- Cash flow management
- Marketing strategy
- Business growth

## Advantages & Disadvantages

ADVANTAGES	DISADVANTAGES
Be your own boss. Choose your own team. Creative expression. Excellent learning experience. Flexible Schedule. Following a vision/cause. Greater potential profit. Set your own office.	No Guaranteed Income Working Long Shifts High Patience Level A solid amount of Stress Tax Implications Less potential profit Employees problems Labour Turn over

## List of Successful Entrepreneurs in India

India is the world's largest democracy, and over the past few decades, its economy has been booming rapidly. As a country, it also accounts for the second-largest native population behind China. So, not surprisingly, India has produced a number of successful Indian entrepreneurs.

NAME	Company
Sachin Bansal	Flipcart
Vijay Shekar Sharma	Pay TM
Ritesh Agarwal	Oyo
Byju Ravindra	Byju
Bhyvish Agarwal	Ola Cabs



Deepender Goyal	Zomato
Deep kalra	Make my Trip
Albinder dimsa	Grofers. Com
Yashish Dhahiya	Policy Bazar
Harsh Jain	Dream 11
Supam Maheshwari	First Cry
Kunal Bhal	Snap Deal
Shashak ND	Practo Technologies
Richakar	Zivame
Kunal Shah	CRED

### Conclusion

The government is promoting these schemes not only to increase the number of people who are benefitting from them but also to highlight the work they have done in the last 5 years. These initiatives have been introduced for the development of the Indian startup ecosystem. India seems to be heading towards the golden era of entrepreneurship. If things go as planned, India may host as many successful startups as the USA or any other leading nation by 2030.

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