

PRE AND POST STARTUP INDIA WOMEN ENTREPRENUERS: CHALLENGES AND PROSPECTS

¹Poojakalla

¹Assistant Professor

¹Avinashdegree College Kukatpally, KPHB Colony, Affiliated to OU

Abstract : “Whatever you do, be different – that was the advice my mother gave me, and I think I can’t think of better advice for an entrepreneur. If you are different, you will stand out.”-Anita Roddick

In this 21st century women are playing a very important role and contributing towards development and innovation of our country from being a House wife to small scale industry startup and giving opportunities to other women for showcasing their talents to making them independent to make their own decisions to large scale industries successful entrepreneurs, women’s role is also changing in the society, gone are the days where only men were leading as a entrepreneurs but today women are also leading because of the change which has brought by Mr Narendra modi Govt. initiatives like start up India scheme to motivate women. , so my paper objectives is to studyIssues and challenges of women entrepreneurship in Indiaand my another objective is to Analyse the Pre-start up and Post-start up Impact of start-up India policy for women entrepreneurs.

Key Words: challenges, Issues,Pre-start up, Post-start-up India, Impact ,women entrepreneurs,

I. INTRODUCTION

“The best thermometer to the progress of nation is the treatment of its women”

“There is no chance of development if conditions of women are not improved”

-Swami Vivekananda

Women are known for their multi-tasking personality as they manage their personal and professional life in a well-balanced manner and also deals with the day to day obstacles of life. I feel women should also take initiative towards contributing for development of country like India on a great extent as a women entrepreneur or in another way in the workforce as “A study by Mckinsey suggested that if women were to participate in the workforce at the same rate as men, India could add \$2.9 trillion to country’s annual GDP by 2025. And that dream to become reality women should take initiatives and utilize the resources which are provided by government of our country especially the resources in the form of schemes. The drastic changes have been taken in the presence of Mr Narendramodi who is current prime minister of India who was former chief minister of Gujarat with his past experiences and attitude towards making India as a stand-up India and in his 3 and half year of tenure he has done fabulous work for encouraging the women safety, health issues and women entrepreneurship development in the country.

NEED FOR FOCUSING WOMEN ENTREPRENUERS

Every woman in this universe takes her responsibility in some or other way from being a Homemaker to a entrepreneur or any other Indian history is a evidence that women is the symbol of purity and devotion, she endows happiness, peace, prosperity, she is always ready to battle and confront the evil, she is symbol of strength and courage in the face of adversity, she is the symbol of protection from darkness and allaying all fears, she has the power to grant blessing, she represents longetivity and timeliness.Recently in global entrepreneurship summit as the theme was women first prosperity for all which was held in Hyderabad in his speech Our 14th prime minister said fantastic and classy lines for women that “**women are incarnation of Shakti (Goddess of power) and their empowerment is vital for development of our country**”. I believe yes Women is incarnation of Shakti and will continue to lead in different areas of life from space programs, including mars orbiter mission, they have been contributing for the development of self and country especially women entrepreneurs are contributing to the large extentin this 21st century era, our 14th Prime minister also initiated many policies for the safety and development of women in various aspects in that policies for women entrepreneurship and it is gaining lot of attention because women entrepreneurship is leading to social change of a country which is most needed to our country right now to more extent compare to the current scenario. According to Global entrepreneurshipmonitor report only 10 per cent of total number of entrepreneurs in the country is women entrepreneurs. so to empower development of country and women it is important that both should balance women from their side to put 100% on their dream and government to match the requirement and support to them especially new women start-up.

OBJECTIVE AND RESEARCH METHODOLOGY

The study is based on secondary data collected from the published reports of NASSCOM, Census Surveys, Newspapers, Journals, websites, etc. The study was planned with the following objectives:

- To Study Issues and challenges of women entrepreneurship in India.
- To Analyse the Pre and Post Impact of Start-up India policy.

REVIEW OF LITERATURE

Prakash, Goyal (2011) the researchers discuss the reason that there are several reasons behind women becoming successful entrepreneurs, like in education, support of family member, successful stories of family and friend etc., still they also face lots of hurdle like family obligation, lack of self-confidence and old and outdated social outlook to stop women to enter into entrepreneurship. Schemes of promotion & development of women entrepreneurship also started for the growth of women entrepreneurs in India.

Vijayakumar, and Jayachitra (2013)'s study found that women entrepreneurship is presently the most emerged and encouraged concept all over the world, and brought women as today's most memorable and inspirational entrepreneurs and they stand with the men, to overcome economic challenges. Women entrepreneurs must have entrepreneurial qualities and skills to meet changing trends and needs of challenging international markets, and also be proficient enough to survive and sustain in the in a competitive world. Whereas, in order to promote entrepreneurial culture among women, govt. should I implement strategies as well as design programs and policies, which encourage women to show their hidden qualities. But, the government sponsored development activities have benefited only a small section of women. The large bulk of them are still unaffected by expansion, and the development activities have benefited the urban middle class women, which constitute a small section of women entrepreneurs.

Devpriya, Dey (2014) in their study aimed to understand the multi-dimensional roles played by women entrepreneurs. An exploratory research had been carried out to identify the various work life balance issues, faced by Startup Women in Startup India: A Study of Women Entrepreneurs in India 93 www.iaset.us editor@iaset.us women entrepreneurs. There is an array of factors, which affects the women entrepreneurship. These important factors which influence the blend of managing the work and family by such entrepreneurship have been analyzed. These factors arise due the multi-tasking roles that a women plays in her life. The impact of such factors may vary from age groups, marital status, education level and even the level of income generated. The potential differences in the work-life balance of entrepreneurial women with regard to such components have also been studied

Babu (2015) discusses that India's startup scene is encouraging and attracting more women entrepreneurs, and now global investors increasingly start raising funds for new women startups. As compared to previous years, women are more into manufacturing, technology and export. Digital media is one of the platforms for women that empowered them into entrepreneurship. It was also found that women raised funds this year are concentrated in the metros only, this reveals the lack of women-centric avenues in smaller cities and towns.

ROLE OF MR. NARENDRA MODI

In the tenure from becoming 16th prime minister of India and winning the hearts of people of India to bearing the fluctuating thoughts and opinions from the people around him and facing all the criticism he never stopped himself and continued to put his efforts by balancing hard work with smart work and maintaining good relations with other countries and going for the trips to different countries of the world from 2014 Bhutan state visit to 2018 Sri-Lanka SAARC Summit, By taking such initiatives his only aim was and will be and continuing to give direction to our country for development with the strategy of alwayskeeping in the view to focusing on emerging trends and challenges that can be faced by our 21st century youth as well as women entrepreneurs and to overcome those obstacles and to achieve the aim of make India as a developed country he initiated the various schemes for women entrepreneurs also. As I believe right guidance, training, development to right women who aim to become an entrepreneur with her excellence and leadership skill can lead to great impact on her self-development, organisation development, and development and direction to other women working under her and also development of the country.

WOMEN ENTERPRENUERS

Women entrepreneur may be defined as a womanor group of women who initiate, organize, and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called "women entrepreneurs".

START-UP

Startup is an entity, private, partnership or limited liability partnership (LLP) firm that is headquartered in India, Which Was opened less than five years ago and have a annual turnover less than five years ago and have an annual turnover less than Rs25 crore. To be eligible for considering as startup, the entity should not be formed by splitting up or reconstruction and its turnover should not have crossed RS25 Crore during its existence

START-UP INDIA

This definition is applicable only for Government enlisted start up schemes.

In General scene, A start-up Company is a young company that is just beginning to develop. Start-ups are usually small and initially financed and operated by a handful of founders or Individuals.

Government of India announced the Action Plan that addresses all aspects of the Startup ecosystem on 16th January 2016. With this Action Plan, the Government hopes to accelerate spreading of the Startup movement. The Action Plan is based on the following three pillars:

- **Simplification and Handholding**
- **Funding Support and Incentives**
- **Industry-Academia Partnership and Incubation**

PRE- STARTUP ACTION PLAN

- Funding support through Fund-of Funds with corpus of Rs. 10000 core.
- Entrepreneurs should register a company in one day, against 15-20 days as ro
- No tax on Profit, inspection for 3 years
- Capital Gain Tax exemption.
- Credit guarantees Scheme.
- Easy & Faster Exit Policy.
- No Capital Gain if money is invested in another start up
 - Self-certification based compliance for Labour & Environment laws.
- Set up of startup India hub for clearance
- Mobile apps, portal for registration.
- Holding with Govt. acting as a friend and colleague
 - New intellectual property rights protection. 80% reduction in patent free and fast tracking patent examination.
- Encourage startups in Government purchase
 - Special Scheme for women entrepreneurs
 - Support bio-technology startups
- Programmed to encourage innovation among students in 5 lakhs Schools.
- Building innovation centers at National Institutes.
- Setting up Research Park.

POST STARTUP ANALYSIS**Recognition**

- Out of applications received 14,306 by DIPP, only 91 startups have been approved for availing tax benefits till Nov 23, 2018

Compliance Regime based Self-Certification

- The Process of Self certification is to reduce the burden of startups and to make them focus on their core work.
- No environment Clearance Certification is Required for the startup who fall under 36 “white” category Industry.

Startup India HUB

- The HUB has been able to handle more than 1, 16,000 queries and facilitate more than 660 Startups by providing advisory on business plans, pitching support, etc
- The HUB has been able to handle queries through different social media like Twitter, mails etc. Similarly it also Mentored more than 660 startups for funding support, incubation on Business plans and they also started “Startup India Online HUB” to serve online to the interested startups.

Tax exemption

- startups can now avail income tax exemption for 3 years in a block of 7 years, if incorporated after 1st April 2016.

Tax Exemption on Capital Gain

- Section 54 EE has been introduced under the Finance Act, 2016 which provides for exemption of capital gain up to INR 50 lakhs arising out of transfer of long term capital asset invested in a fund notified by Central Government. Also, Section 54 GB of Income-Tax Act, 1961 has been amended to provide exemption from tax on capital gains arising out of sale of residential house or a residential plot of land if the amount of net consideration is invested in equity shares of eligible start up for utilizing the same for purchase of specified as.

Removal of Angel Tax

- Tax exemption on investments above Fair Market Value (or angel tax) has been introduced for Start-ups. Revised norms for claiming angel tax exemption has been provided through a notification dated 11th April 2018.

Fund of funds for startups (ffs)

- A 'fund of funds' of INR 10,000 Cr is being managed by SIDBI. INR 1611 Cr have been committed to 32 AIFs. 170 Start-ups have been funded

Learning & development module

- A 4 week free Learning & Development programme covering 6 modules has been launched. More than 2, 27,000 applicants have signed up for the course and 10,000+ applicants have completed 100% of the course successfully.

Establishment of tinkering labs

- 5441 Tinkering Labs have been approved and 2071 have received grant of INR 12 lakh each

Establishment of incubators

- NITI Aayog has received applications for setting up Atal Incubation Centres (AICs) in public and private sector as well as scaling up of Established Incubation Centres (EICs). In respect to establishment of new incubators in institutions and as well as in the private sector, NITI Aayog has approved 22 institutes to establish new incubators with a total grant of INR 54 Crores.

- EICs have been approved for scale-up grant of INR 10 Cr. 22 institutes have been approved for establishing

Research parks

- The main purpose of research park is to make sure that there is a joint Research and Development (R&D) efforts between academia and industry.
- 8 Research Parks are being setup under start-up India initiative Research Park at IIT Kharagpur IIT Gandhinagar the remaining 5 are being set up by Ministry of Human Resource Development (MHRD) at IIT Guwahati, IIT Hyderabad, IIT Kanpur, IIT Delhi and IISC Bangalore with a budget of INR 375 crore. In addition, another Research Park at IIT Bombay is under construction and INR 34 crore has been
- INR 475 crore has been earmarked under UAY for 2016-18. INR 285 Cr has been sanctioned and 85 research proposals from IITs received INR 162.4 Cr under the scheme.
- Reduction of Income Tax rate for companies with an annual turnover of up to INR 50 crore to 25% from 30% - Union Budget, 2017

The following are the 13 Reasons motivated women entrepreneurs to start their own startup and Register themselves with Startup India scheme.

1	Tax Exemption on Investments above Fair Market
2	Tax exemption to startups in 3 years
3	Tax exemption on capital gains
4	Credit guarantee fund for startups
5	Funding support through fund of funds with a corpus of INR 10000 Cr
6	Faster exits for startups
7	Relaxed norms of public procurement for startups:
8	80% rebate on filing patent applications from startups
9	A panel of promoters to provide legal support and assist in filing patent application
10	Fast track mechanisms of startup patent applications
11	A mobile app for Starting a startup in 1 day
12	Single point Startup India Hub for contact of the entire startup ecosystem
13	The government introduced a compliance regime based on self-certification

CHALLENGES OF WOMEN ENTERPRENUERS

- Women in the country struggle against discrimination and in equality only 27% women receive secondary education
- Only 12.2 seats are held by women.
- Though we live in 21st century but still, 80% women needs permission to visit healthcare.
- India stands 142 for health and survival out of 144 countries as per the world economic forum Report.
- In rural areas though women entrepreneurs are actually playing a better role as business women but the traditional barriers lead to explore them less outside
- In many situations, the solutions are available and the main hindrance is the entrepreneur's lack of knowledge and inability to access the solution.
- Entrepreneurial mindset is very rarely found in women as most of the women like to have a salaried job with paid leaves and at the same time many women feel being in the Role of entrepreneur is Risk associated thing which they can't handle.
- It is observed that women face difficulty in accessing Resources due to various reasons
- Lack of practical experience lead them to stuck somehow at some point of work because of not seeing many entrepreneur's in their life.

1. Balancing between Life and Work demands

Work life balance is very difficult to handle both at the same time when you belong to a traditional family or in-laws, still many families prefer that their daughter in law don't prefer to send them out if they are allowing so, expectations is to balance both and at the same a compromise factor misses in most of families when it comes to empowering women to start or continue her own Business.

2. Lack of Proper Support

Over the years, the number of women in prime business positions has increased sufficiently, but not sufficient enough to offer the right support platforms for would-be women entrepreneurs. Females, therefore, have fewer role models as compared to their male counterparts

3. Emotions Spoil Business Deals.

Women are naturally more emotional than men. And Emotion can lead to a great loss to business deals and being women sometimes make them to show empathy towards the people who don't deserve it when it comes to business matter and it may impact the business deals.

4. Unfavorable Trading Environment.

Decades haven't changed the composition of the community – the business community is dominated by males. It is therefore natural that female entrepreneurs find it hard to succeed in such an environment.

5. The Fear of Failure.

Due to the few number of businesswomen out there, others think that it is hard to succeed. They give up even before they begin, making it one of the biggest reasons for this gender. Failure has become a huge possibility in all areas of business. Potential businesswomen fail to understand the basic rule of being successful in trading – the possibility of massive failure in order to succeed. Every business owner regardless of gender goes through this doubting phase. Women ought to work through the moments of self-doubt that arises more so often.

6. Women Tend to Push Themselves too Hard

Given a target, you will find that women tend to overextend their efforts in their quest to show their male counterparts that they can make it. They want to show that they are and can remain in control. As a woman, if you are out to build whatever business concept you have a huge success, you need to learn how to delegate. You need to know what a priority is and what isn't, and you need to learn how to manage time and resources well.

Women are usually hyper focused on one goal – to beat the competition, but by the time they realize their goal, they are too burnt out to proceed.

7. Lack of Equal Opportunities in Some Sectors

There is a lack of equal opportunities in some business sectors for women as compared to men. When some of the opportunities arise, they are paid less. Some of the industries that employ men more than women include the heavy construction industry. Many women shun such industries knowing too well that it is considered to be a “male” domain.

8. Family restriction

Women are expected to spend more time with their family members. They do not encourage women to travel extensively for exploiting business opportunities.

8. Lack of Finance

Family members do not encourage women entrepreneurs. They hesitate to invest money in the business venture initiated by women entrepreneurs. Bank and other Financial Institutions do not consider Middle Class Women Entrepreneurs as proper applicants for setting up their projects and they are hesitant to provide financial assistance to unmarried women or girls as they are unsure as to who will repay the loan — Either their parents or in-laws after their marriage. This humiliates unmarried women and they generally leave the idea of setting up their ventures.

For example, Kiran Mazumdar Shaw initially faced many problems regarding funds for her business. Banks were hesitant to give loan to her as biotechnology was a totally new field at that point of time and she was a woman entrepreneur, which was a rare phenomenon.

9. Lack of Education

Women are generally denied of higher education, especially in rural areas and under developed countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products.

10. Role Conflict

Marriage and family life are given more importance than career and social life in Indian society.

11. Unfavorable Environment

The society is dominated by males. Many business men are not interested to have business relationship with women entrepreneurs. Male generally do not encourage women entrepreneurs.

12. Lack of persistent Nature

Women generally have sympathy for others. They are very emotional. This nature should not allow them to get easily cheated in business.

13. Lack of Mental strength

Business involves risk. Women entrepreneurs get upset very easily when loss arises in business.

14. Lack of Information

Women entrepreneurs are not generally aware of the subsidies and incentives available for them. Lack of knowledge may prevent them from availing the special schemes.

15. Stiff Competition

Women face lot of competition from men. Due to limited mobility they find difficult to compete with men.

16. Mobility

Moving in and around the market, is again a tough job for Middle Class Women Entrepreneurs in Indian social system..

IMPACT OF STARTUP INDIA

- As per the reports of Startup India- Momentous rise of the Indian Startup ecosystem” by Nasscom along zinnov revealed that only 9% women are founders and co-founders
- According to women Business Ownership’ index by Mastercard Index of Women Entrepreneurs it ranked India 49th among 54 global economies though having the second largest population in the world out of which 48.17 per cent are women
- As per the index reports India provides lesser opportunities to women to participate in workforce.
- The reports of the survey done by Localcirles Reveals that Tax exemption on investments above Fair Market Value (or angel tax) which was introduced for Start-ups. To provide exemption in tax has become pain point for them.
- The survey in possession of Entracker found that 32 per cent of start up received multiple tax notices and 38% claim to have received income tax notices,unsatisfactory as it is jut mere single per cent decrease from 2017
- When it comes to benefit of start-up India scheme only 18% of start-ups and SMEs were benefited
- Out of applications received 14,306 by DIPPonly 91 startups have been approved for availing tax benefits till Nov 23, 2018
- 80 per cent did not Receive any benefit from the start up India scheme

- As per the current Reports of Entrackr 2019 3rd Jan Income tax Department treats the capital raised by start-ups as Income from other source by levying 30 per cent tax on them.
- It is considered that the expectations of start-ups and government Mismatch in very negative manner.
- 97 per cent of survey respondents think there is an urgent need for the income tax authorities to be educated on start up valuations.
- Most of them see funding as the biggest hurdle.
- Around 24 per cent of start-ups think of closing their business in 2019, which is 13 per cent rise from last year figure.
- 17 per cent of start-ups would be reducing their headcount whereas 25 per cent claim to hire more than 5 people this year

CONCLUSION

In start-up Ecosystem, it can be said that India can be at much better position when it comes to women entrepreneurship only if provided with more and realistic opportunities. Where in women's participation in the field of entrepreneurship is increasing in moderate manner that should be focused more as women can lead to social transformation and economic growth in India as more than 40 per cent of population comprises of women, and In the guidance of our Present prime minister Mr. Narendra Modi's Government. Though focussed on developing and empowering women in every aspect but in real ways it couldn't mark a great impact on them because of mismatch between Policy and its practice from the year 2016 to 2018 it has not even benefitted to 30 per cent people who have Registered their start-up with the expectation of getting the benefits which motivated them to Register especially regarding Tax exemption Related issues which has become presently pain point for start-ups and many are planning to close their start up because of it. When it comes to Mentoring and Network if a group of women is headed with a Mentor with excellent skills who can give direction for entrepreneurial mindset, Help to access Resources, and to give them practical experience so that they themselves can find out solutions to the challenges they face. at last it is also understood that women are also supposed to put their efforts to achieve the goal of being a women entrepreneur or working women by "worrying less about fitting into Glass Slippers and more about shattering glass ceilings".

LINKS

<https://www.livemint.com/Opinion/dsoVRGzssN5LKbQnWlj74K/Startup-India-action-plan-falling-short.html>

<https://taxguru.in/income-tax/start-india-benefits-challenges.html>

<https://taxguru.in/corporate-law/analysis-terms-startup-india-scheme.html>

<https://qz.com/india/1179750/startup-indias-plans-for-2018-more-money-cities-and-women/>

https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Status_report_on_Startup_India.pdf

<https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Action%20Plan.pdf>

<https://www.ges2017.org/govt-of-india-support-for-entrepreneurs/>

<https://www.indianweb2.com/2017/06/22/9-women-entrepreneurs-india-indian-startup-ecosystem-regressive/>

<http://oaji.net/articles/2017/1880-1500549696.pdf>

<https://entrackr.com/2019/01/startups-india-benefit-localcircle/>

<https://www.thebetterindia.com/111511/entrepreneurship-landscape-for-women-in-india/>

<https://economictimes.indiatimes.com/small-biz/policy-trends/startup-india-lots-of-policies-and-not-much-evidence-its-helpful/articleshow/57529755.cms>

<https://www.weforum.org/agenda/2012/11/how-can-women-promote-indias-economic-development/>