

## **START-UP INDIA AND STAND-UP INDIA CAMPAIGN: AN ANALYSIS OF OVERVIEW OF PERFORMANCE OF THE MSMEs SECTOR**

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### **ABSTRACT**

*This paper highlights that Startup India and Standup India may be a useful theme launched by the govt. of India for the higher way forward for the Indian youths. This campaign is planned to fetch new opportunities for the Indian youths. This initiative is to market the Indian young entrepreneurs to a lot of involve within the entrepreneurship for bright future. This can be serving to Asian country to point out the Indian talent of youths through their innovative businesses all across the Universe. There ought to unfold awareness concerning this programme all told the establishments as well as Institutes for Universities, Technology, Management, IITs, analysis establishments etc so they'll be connected recover from this theme in future. This initiative is planned by the govt. to encourage Schedule Casts, Schedule tribes and women's towards entrepreneurship. The Micro, little and Medium Enterprises (MSMEs) sector has emerged as a massively vivacious and dynamic sector of the Indian economy over the last five decades. This contributes considerably within the Indian economic and Indian social development of the country by fostering entrepreneurship and generating giant employment opportunities at relatively lower opportunity cost, next solely to agriculture. This theme is that the necessity to steer Asian country in right aspect. the foremost vital purpose concerning it campaign is that this involves Indian youths of the country as start-ups as they need fashionable mind, innovative concepts, needed strength, energy, skill, and new thinking to steer business. Indian youths square measure the energetic and extremely competent section of the society so that they square measure higher target for this campaign.*

**KEYWORDS:** *Entrepreneurs, Growth, Opportunities, Empowerment, MSMEs, Entrepreneurship.*

### **Introduction**

Startup India and Standup India could be a campaign launched by the govt of India to encourage startups of India suggests that youths of India towards the entrepreneurship by supporting them through bank funding for additional jobs creation in India. The Micro, tiny and Medium Enterprises (MSME) sector has emerged as a extremely spirited and dynamic sector of the Indian economy over the last 5 decades. It contributes considerably within the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at relatively lower cost of capital, next solely to agriculture. This theme is that the necessity to steer Republic of India in right aspect. the foremost vital purpose regarding it campaign is that this involves Indian youths of the country as start-ups as they need trendy mind, innovative ideas, needed strength, energy, skill, and new thinking to steer business. Indian youths area unit the energetic and extremely complete section of the society in order that they area unit higher target for this campaign. MSME sector by promoting growth and development of the arena, as well as fabric, Village and fibre Industries, in cooperation with involved Ministries/Departments, State Governments and alternative Stakeholders, through providing support to existing enterprises, adopting innovative technologies and inspiring creation of latest enterprises variety of statutory and non-statutory bodies work below the aegis of the Ministry of MSME. These embody the

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fabric Village Industries Commission and also the fiber Board besides National tiny Industries Corporation, National Institute for small, tiny and Medium Enterprises and nationalist leader Institute for Rural industry. the Ministry of MSME manage numerous schemes geared toward technology help, money help, up gradation, infrastructure development talent development and coaching, enhancing aggressiveness and market assistance of MSMEs. The Micro, tiny and Medium Enterprises Development (MSMED) Act was notified in 2006 to handle completely different problems moving MSMEs inter-alia the coverage and investment ceiling of the arena. The MSMED Act seeks to facilitate the event of those enterprises as conjointly enhance their fight. The MSMED Act has the subsequent key provisions:

- Institution of a National Board for small tiny and Medium Enterprises headed by the Minister for MSME. The role of the Board isto look at the factors moving the promotion and development of MSMEs, review the policies and programmes of the Central Government and create recommendations in respect to facilitating the promotion and development and enhancing their fight.
- It provides the first-ever legal framework for recognition of the thought of “enterprise” that includes each producing and repair entities. It defines medium enterprises for the primary time and seeks to integrate the 3 tiers of those enterprises, namely, micro, tiny and medium.
- It empowers the Central Government to undertake programmes and issue pointers and directions to develop and enhance the fight of MSMEs.

#### **Objectives of the Study**

- To understand the role of MSMEs in the overall development of the nation like India.
- To understand the performance of MSMEs sector.
- To understand the various initiatives taken by the government to promote entrepreneurship in the country.
- To understand the scope for entrepreneurship development through the newly launched ‘Start-up India’ campaign.

#### **Research Methodology**

The research study necessitated an analysis of published data from the annual report 2017-18. Ministry of Micro, Small and Medium Enterprises (MSMEs), especially to collect information on the recent status of MSMEs in the country as well as the status of entrepreneurship in the country. This research also associated with the study of various data sources in sequence to study the socio-economic status and attitude of entrepreneurs in the Indian country. It also involves an analysis of various policies adopted by Indian government with respect to all entrepreneurship development.

#### **Start-Up-Stand-Up India Campaign**

India may be a country of the many nice legends World Health Organization were renowned everywhere the planet due totheir works, sharp mind and high ability. However, our country remains on the developing track due to the shortage of some solid support and ways that to figure in right direction. Youths in Asian country square measure terribly gifted, extremely masterly and choked with innovative ideas. This theme may be a massive facilitates to them to travel in right direction victimization their new and innovative ideas. What is Startup India and Standup India Campaign: a brand new campaign named as Startup India, Standup Asian country was proclaimed by the Prime Minister Narendra Modi throughout his speech on national holiday 2015. this can be a good theme launched on sixteenth of January 2016 by the Modi government to assist youths of the country. This can be associate degree initiative by the Indian PM to present opportunities to the youths to become industrialists and entrepreneurs which require the institution of a startup network. Startups suggest that youths of the country are supported through finance from banks to strengthen those startups higher in order that they'll produce additional employment in Asian country.

This programme may be a massive begins to modify startups through support in order that they'll use their innovative ideas in right direction. PM has conjointly requested to any or all the banks to support a minimum of one dalit and one lady businessperson. This theme can inspire and promote new comers towards business and grow their career and economy of the country. Action arrange of Startup India and Standup India Scheme: an entire action arrange of this theme was launched on sixteenth January 2016. This theme can boost entrepreneurship within the country at grassroots level guaranteeing youth edges from the bottom strata of society. Youths have contemporary mind, new ways, and new

thinking in order that they square measure higher to support as startups. Varied IITs, NITs, central universities and IIMs of Asian country were connected through the live property throughout the flourishing launch of campaign. The most aim of this theme is to market bank funding still as provide incentives for start-up ventures to spice up the entrepreneurship and new job creation techniques among them.

### Discussions and Results

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified as below:

<b>Manufacturing Sector</b>	
Enterprise Category	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees
<b>Service Sector</b>	
Enterprise Category	Investment in equipment
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five core rupees

### Role of MSMEs in Indian Economy

The Micro, Small & Medium Enterprises have been contributing significantly to the expansion of entrepreneurial endeavors through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. As per the data available with Central Statistics Office, Ministry of Statistics & Programme Implementation, the contribution of MSME Sector in country's Gross Value Added<sup>1</sup> and Gross Domestic Product<sup>2</sup>, at current prices for the last five years is as below:

<b>(Figures in Rs. Crores adjusted for FISIM3 at current prices)</b>						
Year	MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	Total GDP	Share of MSME in GDP (in %)
2011-12	2583263	-	8106946	31.86	8736329	29.57
2012-13	2977623	15.27	9202692	32.36	9944013	29.94
2013-14	3343009	12.27	10363153	32.26	11233522	29.76
2014-15	3658196	9.43	11481794	31.86	12445128	29.39
2015-16	3936788	7.62	12458642	31.60	13682035	28.77

Source: Annual report 2017-18(MSMEs)

The contribution of Manufacturing MSMEs in the country's total Manufacturing GVO<sup>4</sup> at current prices has also remained consistent at about 33%, i.e. one third during the last five years.

### Performance of the MSME Sector

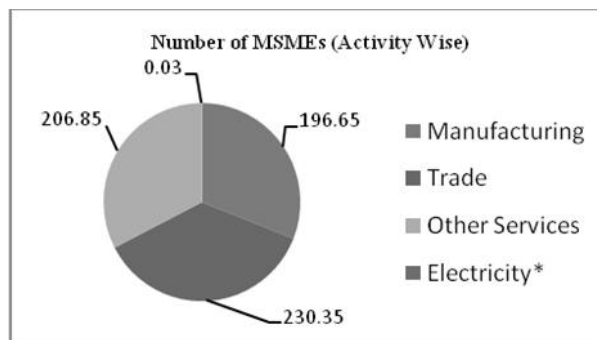
As per the National Sample Survey 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated non-agriculture MSMEs in the country engaged in different economic activities (196.64 lakh in Manufacturing, 230.35

### Number of MSMEs (Activity Wise)

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	114.14	82.50	196.65	31
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
Electricity*	0.03	0.01	0.03	0
All	324.88	309.00	633.88	100

Source: Annual report 2017-18(MSMEs)

Lakh in Trade and 206.84 lakh in Other Services and 0.03 lakh in Non-captive Electricity Generation and Transmission,) excluding the MSMEs registered under (a) Sections 2m(i) and 2m(ii) of the Factories Act, 1948, (b)



Companies Act, 1956 and (c) Construction activities are falling under Section F of National Industrial Classification (NIC) 2008, table 2 and Figure shows the distribution of MSMEs activity category wise.

#### Distribution of Enterprises Category Wise

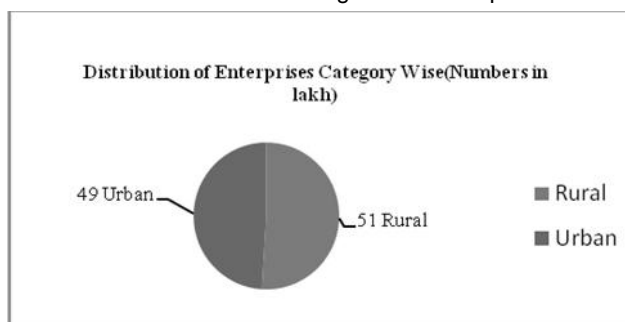
The Micro sector with 630.52 lakh estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs accounts for 0.52% and 0.01% of total estimated MSMEs, respectively.

#### Distribution of Enterprises Category Wise(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.30	0.05	633.88	100

Source: Annual report 2017-18(MSMEs)

Table depicts the distribution of different categories of enterprises in rural and urban areas.



Source: Annual report 2017-18(MSMEs)

It shows that 31% MSMEs were found to be engaged in Manufacturing activities, while 36% were in Trade and 33% in Other Services. Again out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) were in rural area and 309 lakh MSMEs (48.75%) were in the urban areas.

#### Type of Ownership of Enterprises

Out of 633.88 lakh MSMEs, 608.41 lakh (95.98%) MSMEs were proprietary enterprises. There has been overwhelming predominance of male owners in proprietary MSMEs. Thus, for proprietary MSMEs as a whole, male owned 79.63% of enterprises as compared to 20.37% owned by female. There was no significant deviation in this pattern in urban and rural areas, although the dominance of male owned enterprises was slightly more pronounced in urban areas as compared to rural areas (81.58% as compared to 77.76%).

Percentage Distribution of Enterprises in rural and urban areas (Male/ Female ownership category wise)			
Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Percentage distribution of Enterprises by Male/Female Owners			
Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Source: Annual report 2017-18(MSMEs)

Further male dominance in ownership has been more pronounced for small and medium enterprises with 95% or more enterprises being owned by them, as compared to micro enterprises where 77.76% were owned by males.

#### Ownership of Enterprises Social Category Wise

The socially backward groups owned almost 66.27% of MSMEs, though bulk of that can be attributed to OBCs owning in 49.72%. The representation of SC and ST owners in MSME sector was low at 12.45% and 4.10% respectively. In rural areas, almost 73.67% of MSMEs were owned by socially backward groups, of which 51.59% belonged to the OBCs. In urban areas, almost 58.68% belonged to the socially backward groups, of which 47.80% belonged to the OBCs

#### Social Category Wise

Percentage Distribution of enterprises by social group of owners						
Sector	SC	ST	OBC	Other	Not Known	All
Rural	15.37	6.70	51.59	25.62	0.72	100
Urban	9.45	1.43	47.80	40.46	0.86	100
All	12.45	4.10	49.72	32.95	0.79	100

Percentage Distribution of Enterprises Social Category Wise						
Sector	SC	ST	OBC	Other	Not Known	All
Micro	12.48	4.11	49.83	32.79	0.79	100
Small	5.50	1.65	29.64	62.82	0.39	100
Medium	0.00	1.09	23.85	70.80	4.27	100
All	12.45	4.10	49.72	32.95	0.79	100

Source: Annual report 2017-18(MSMEs)

#### Employment

As per the National Sample Survey 73rd round conducted during the period 2015-16, MSME sector has been creating 11.10 crore jobs. Table 2-10 and Figure 2-9 shows the distribution of MSMEs activity wise.

Estimated Employment in MSME Sector (Broad Activity Category Wise)				
Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
Electricity*	0.06	0.02	0.07	00
All	497.78	612.10	1109.89	100

Distribution of Employment in Rural and Urban Areas (Number in lakh)					
Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Sectoral distribution of workers in Male and Female Category (in Lakh)				Share (%)
Sector	Male	Female	Total	
Rural	137.50	360.15	497.78	45
Urban	127.42	484.54	612.10	55
ALL	264.92	844.68	1109.89	100

Source: Annual report 2017-18(MSMEs)

Micro sector with 630.52 lakh estimated enterprises provides employment to 1076.19 lakh persons, which accounts for around 97% of total employment in the sector. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs provides employment to 31.95 lakh (2.88%) and

1.75 lakh (0.16%) persons of total employment in MSME sector, respectively. Figure 2-6 and Table 2-9 shows the sectoral distribution of employment in MSMEs. Out of 1109.89 lakh employees in MSME sector, 844.68 (76%) are male employees and remaining 264.92 lakh (24%) are females.

**State-wise Distribution of estimated MSMEs**

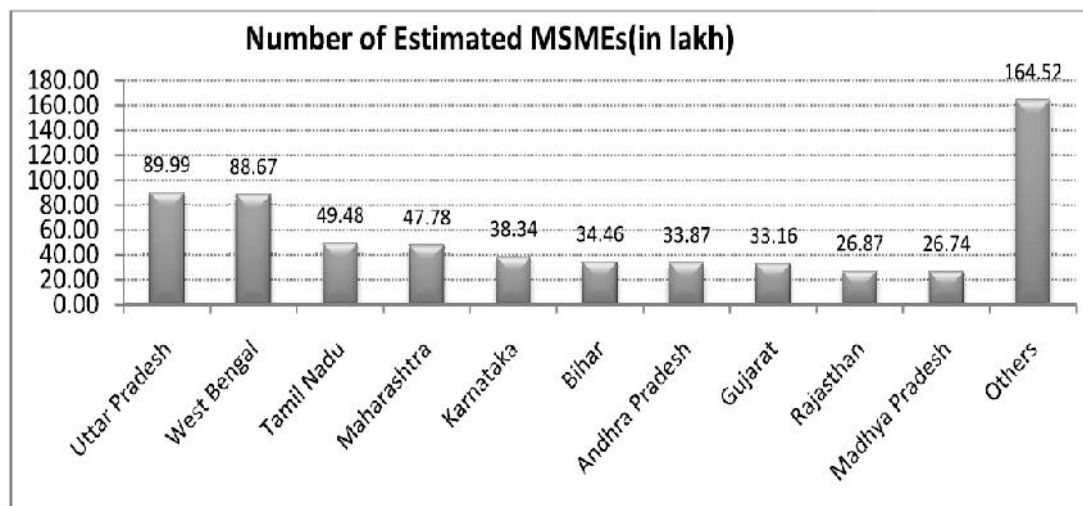
State of Uttar Pradesh had the largest number of estimated MSMEs with a share of 14.20% of MSMEs in the country. West Bengal comes as close second with a share of 14% again.

**State-wise Distribution of enterprises**

Sl. No.	State/UT	Estimate Number of MSMEs	
		Number (in lakh)	Share (in %)
1	Uttar Pradesh	89.99	14
2	West Bengal	88.67	14
3	Tamil Nadu	49.48	8
4	Maharashtra	47.78	8
5	Karnataka	38.34	6
6	Bihar	34.46	5
7	Andhra Pradesh	33.87	5
8	Gujarat	33.16	5
9	Rajasthan	26.87	4
10	Madhya Pradesh	26.74	4
11	<b>Total of above ten States</b>	<b>469.36</b>	<b>74</b>
12	<b>Other State/UTs</b>	<b>164.52</b>	<b>26</b>
13	<b>All</b>	<b>633.88</b>	<b>100</b>

Source: Annual report 2017-18(MSMEs)

The top 10 States together accounted for a share of 74.05% of the total estimated number of MSMEs in the country.



**Conclusion**

The most vital focus concerning Startup India and Standup India is to involve youths of the country United Nations agency have innovative ideas, trendy mind, strength, energy, skill, and new or maiden thinking to steer business. Indian youths are a unit the energetic and extremely versatile section of the Indian there ferocity so they're higher choice for this campaign. This initiative is a good endeavor by the Indian government to help startups in beginning new business ventures particularly those with

innovative ideas and skills. This can facilitate in reforming the standing of tiny and new entrepreneurs still as making new job opportunities for others. This initiative are well-trying a replacement dimension to the entrepreneurship and facilitate new comers in fitting their businesses still as build a live network of start-ups by affiliation. Extremely versatile and multiple proficient Indian youths of the country are utterly benefitted through this campaign and ready to generating new jobs. This campaign is that the results of responsibility of Indian government to create India a developed country by 2022 with the provision of house, electricity, job and different basic has to all. This initiative has been planned to bring positive changes in step with the necessity of development within the country. it'll facilitate the country to point out the talent of Indian youths through their innovative businesses all across the planet. there's nice ought to unfold awareness concerning this programme all told the Indian establishments together with Indian Institutes for Technology, central universities, Indian Institutes of Management, etc so they'll be connected get over this theme in future.

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