

**Analysis and Evaluation of Indian  
Start-ups in Non-metropolitan Areas  
and Selected Metropolitan Areas –  
An Untold Story**



**Research Committee**  
**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

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# Foreword

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Start-up industry and micro small and medium enterprises [MSME] sector has gained tremendous attention in last few years as they act as a catalyst for socio economic development of any country. The Government of India (GoI) also aims to empower 'START UPs' to encourage them to become "Atmanirbhar" as they contribute significantly towards GDP of India.

Start-up is generally considered as a fad among young entrepreneurs in order to succeed in a venture. However, the failure rate of start-ups is considerably higher in both metropolitan and non-metropolitan cities. The research intends to put emphasis on coping with this situation and how to reduce failure of the start-ups. The research report talks about various reasons of start-up failures and provides recommendations on how upcoming entrepreneurs can follow the guidelines for the success of their early ventures.

I am pleased to note that the Research Committee of the Institute under the 'ICAI Research Project Scheme 2020' undertook the Research Project on the topic of "**Analysis and evaluation of Indian Start-ups in non-metropolitan areas and selected metropolitan areas-an untold story**".

I would like to take this opportunity to express my thanks to CA. Anuj Goyal, Chairman, Research Committee and CA. Kemisha Soni, Vice-Chairperson, Research Committee, who took the initiative to introduce 'ICAI Research Project Scheme 2020' to encourage research-based activities. I would also like to take this opportunity to express my gratitude to members of the Research Committee who have made invaluable contribution through their expert guidance in the finalisation of the Research Report.

I am confident that this Research Report will be extremely useful for the members and other stakeholders as well.

**New Delhi**  
**January 29, 2021**

**CA. Atul Kumar Gupta**  
**President, ICAI**



## Preface

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The main contribution of the Research Report on “**Analysis and evaluation of Indian Start-ups in non-metropolitan areas and selected metropolitan areas-an untold story**” is to throw light on the reasons of success and failure of Start-ups in non-metropolitan and selected metropolitan areas. The report also indicates the thrust area of Start-ups to improve for sustainable development.

Number of start-ups in metropolitan areas are higher than the non-metropolitan areas due to presence of robust Start-ups ecosystem. There is less awareness about Start-ups business model and ecosystem in urban and semi urban areas due to which aspiring promoters are not getting opportunities to connect with all stakeholders of ecosystem which is proving to be deciding factor in their success or failure. Other factors which play important role in success of Start-ups involves presence of Mentors, Incubation centres, Investors, Accelerators, Internet connectivity, transport and electricity facility over the remote areas.

Many Start-ups are failing as the Start-ups incumbents are not doing proper study of market regarding demand for products or services to be offered. Dedicated focus on advanced technologies as ML, AI, analysis, Big Data etc. is required to bring radical changes.

I am thankful to CA. Atul Kumar Gupta, President, ICAI and CA. Nihar N. Jambusaria, Vice President, ICAI who inspired me and Research Committee to introduce ‘ICAI Research Project Scheme’ and undertake research projects on contemporary and relevant topics.

I would also like to extend my thanks to CA. Kemisha Soni, Vice-Chairperson, Research Committee and all the members of the Research Committee.

Further, I would like to take this opportunity to congratulate CA. Pravina Nitin Oswal, CA. Divyakant Shah and Dr. Jayashree Sudhir Awati for writing Research Report on the topic of “**Analysis and evaluation of Indian Start-ups in non-metropolitan areas and selected metropolitan areas-an untold story**” and to express my thanks to CA. Jagdish Kapoor, Expert for providing his valuable comments and suggestions for improvement of

technical and presentation aspect of the Research Report. I also acknowledge the assistance and co-operation rendered by Dr. Amit Kumar Agrawal, Secretary, Research Committee and CA Rahul Paul, Project Associate who gave their valuable inputs during preparation of this Research Report.

I believe and trust that this Research Report will be immensely useful to the members and to others interested.

**New Delhi**  
**January 29, 2021**

**CA. Anuj Goyal**  
**Chairman, Research Committee**

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## Abbreviations

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GDP	:	Gross Domestic Product
IT	:	Information Technology
ANOVA	:	Analysis of Variance
ROC Curve	:	Receiver Operating Characteristics Curve
SPSS	:	Statistical Package for Social Sciences
SWOT	:	Strengths, weaknesses, opportunities and threats
ICAI	:	The Institute of Chartered Accountants of India
SaaS	:	Software as a service



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# EXECUTIVE SUMMARY

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## **Analysis & Evaluation of Indian Startups in Non-Metropolitan Areas and Selected Metropolitan Areas – An Untold Story**

The Startups and the micro small and medium enterprises {MSME} sector acts as a catalyst for socio economic development of the country. Ambitious innovative Startups are recognised as the key source of employment, productivity, growth and innovation for country. Research in the field, “Analysis & Evaluation of Indian Startups in Non-Metropolitan Areas and Selected Metropolitan Areas – An Untold Story” is a humble effort have been made to analyse and dissect on the subject. This research is carried out to know and find the facts about the Startups. The study was examined closely and carefully by following appropriate research ethics to test the peril and pains of Startups. This research study has followed the systematic way for collecting and analysing information to increase the knowledge of Startups. This research aims to empower the ‘STARTUPS’ towards their contribution to GDP of India and to make them “Atmanirbhar “

In this study researchers have dissected, analysed, cultivated, segmented the pains and perils of incubates in this fields. Focus is on Main Objectives to know the challenges / issues faced by the Startups, to put them at comfort level, try to find out alternate solution, to measure the risk and control the same, and to make recommendation to government authorities/agencies to think for alternate solution. Focused points in the research are:

- i. Investigate the Startups and, their financial challenges
- ii. Analyse the failure of the Startups
- iii. Role of other stake holders' of Startup Ecosystem
- iv. Strategic planning
- v. Startups position in selected metropolitan and nonmetropolitan area
- vi. Present effective strategic plan for Startups
- vii. Role of Gig economy

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Statistical Analysis is also carried out for various hypothesis testing:

- i. Startups Supported by Incubation Centre Will Grow Better Than Other Startups
- ii. Financial Analysis of Startups Is Weak
- iii. Startups Are Not Following Strategic Planning
- iv. Incubates Under Startups Cannot Succeed Without Government Support
- v. External Funding is Necessary to Succeed
- vi. New innovations, new ideas and new visions are not accepted easily by the society.

### **Rationale:**

Entrepreneur consider Startups as a Fashion or a Fad to succeed in the venture. But after the survey carried out in metropolitan cities and the non-metropolitan cities, it is observed that the failure rate of Startups is considerably high. Therefore, a thought process has to be developed to understand the Startups scenario, as lot of new entrepreneurs are involved in these Startups and their failure rate is high. Due to this alarming situation, it hampers the individual, which in turn also affects the family and gradually the society at large and finally the economy. This is why there is a need to ponder upon and think positively about how to come out of this situation and try to reduce the failure of the Startups in their own vicinity.

The study was carried out for analysis & evaluation of Indian Startups in non-metropolitan areas and selected metropolitan areas. The failure and success of Startups is analysed through observation, direct visit and discussion with entrepreneurs. The following are common reasons of Startups failure.

- Convincing for new idea and new vision is a must. It has to talk to the clients and customer in about its vision, because customer is the key factor to decide about acceptance of products or services offered
- What generally happens is that an entrepreneur gets an idea and he/she builds the solution for it, the entrepreneurs try to sell his/her own solution, but nobody buys this solution and gradually the entrepreneurs run out of money and hence the Startups dies.

## **Executive Summary**

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- Not having proper business model and revenue model is one of the major reason of failure.
- Weak time management -This again means proper decision must be taken at proper time. Where this time management fails Startups could not make success.
- It is generally said that there are no short cuts to launch a Startups business. People have to do Proper homework, they have to understand customer's needs, choice preference and the time of their requirement. People would like to buy from those to whom they have faith, trust. Building rapport creates the trust and credibility, consider it is all about the relationship and not only for sale.
- Non-consideration of the role of angel investor, venture capitalist and private investors. To scale up funding is must. Investors not only brings funds but also their expertise and network for the success of Startups. If start-up has conviction in its idea, it should not give up after few refusals from investors and keep trying for funding.
- Non availability of highly skilled staff is major reason of failure of Startups in non-metropolitan areas.
- Non adoption of new technology, new ideas, and new markets stops the growth of Startups. They should focus on advanced technologies as ML, AI, analysis, Big Data etc.
- Startups should do risk management and have plans for uncertainties and volatility in the market.

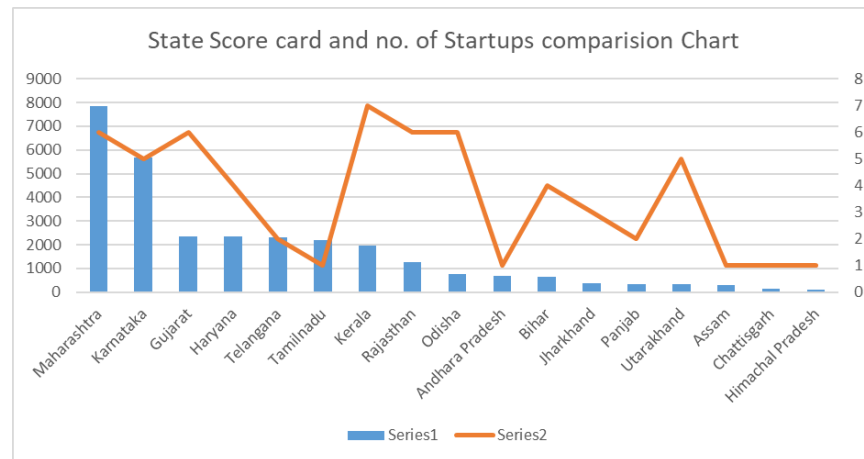
The successful Startups owner's achievement stories and pain and perils help to save aspiring Startups from failure and also motivate them.

### **Role of State policies for Startups growth**

There is connection between initiatives taken by states for startups ecosystem developments and number of startups. Apart from Central Government Startups policies, rules and regulations each state and union territories have their own policies. States having action points for Startup policy and implementation, incubation support, seeds funding support, angel & venture funding support, simplified regulations, easing public procurement, and awareness and outreach have more number of startups compared to states not having it. Startups moves from its place of origin to the place

## Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...

where startups ecosystem parties are strong and supports startups to get success, funding, technology, collaboration and opportunity to grow. Startups are working on innovation. So they may not having profits initially. So strong support of investors, mentors, venture capitalist is necessary. Government is encouraging investment in startups by angel investors by giving them exemption from tax. Refer 1.3.3 Also to employ profit back in business Startups are given tax exemptions. Refer 1.3.2 States provides for Startup policies, self-certification advisory, various regulatory reforms, mechanism to connect mentors with Startups and many other facilities which has given boost to startups in states. Following table summaries the interconnection between the two.



States like Maharashtra and Karnataka has strong pillars ecosystem for startups and hence they are having more number of startups. For detail refer 7.8 from main report.

The Research Study outcomes identified the 'Do's' and 'Don'ts' which are summarized hereunder:

### Do's for Startups to success:

- Skilled staffing (e.g., AJAY NEWS, Jameck India services Pvt Ltd.) refer 5.1, 5.2
- Proper Marketing and Sales strategy (e.g., Metro line worldwide India Pvt.) refer 5.3
- Proper financial planning (e.g., Varenje foundation) ref 5.4

## Executive Summary

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- Various laws relating to pollution are taken care by Technology and finance (e.g., **Chhokhavatia & Associates**) ref 5.5
- Proper technology support (e.g., **Public health foundation of India, Dynaweled engineering Pvt Ltd**) ref 5.6, 5.9
- Proper strategic planning for finance and Marketing (e.g., **Profilc enterprises**) ref 5.7
- Proper fund Management (e.g., **Gujrat university start up and entrepreneurship council, Youth development**)ref 5.8 5.10
- Have own intellectual property and capabilities (e.g., **TDAUX...Envolve India P Ltd.**) ref 5.11
- Collaboration with other Startups for developing a strong network.
- Appropriate Time management.
- Ready to handle critical situation (Covid 19)

### **Don'ts for Startups to success:**

- No conviction in own product or idea
- Poor working on Business model and revenue model
- Not networking with other stakeholders of ecosystem Ref 5.8.2, 5.10.2
- Unskilled staffing
- Improper Marketing and Sales strategy
- Weak financial planning
- Not considering laws relating to pollution
- Improper technology support
- Inappropriate fund Management
- Depends on others intellectual property and capabilities
- Lack of Collaboration with other Startups
- Inadequate Time management.
- Not ready to handle critical situation
- Financial beliefs on others

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- Poor administration
- Bad partnership

Start-up incumbents are not doing proper study of market regarding demand for products or services to be offered. Internet connectivity, transport and electricity facility over the remote areas increased the opportunities in rural and semi urban areas. Few more reasons could be entrepreneur running out of money, being in the wrong market, a lack of research, bad partnerships, ineffective marketing, and not being an expert in the industry.

Hence for a start-up to be successful the entrepreneur needs to be educated for financial Strategic planning or unexpected planning, be ready for handling critical situations. A Start-up entrepreneur should independently run the business and not depend on other sources. He/she should be ready with alternate solutions, Market Planning, financial planning as well. Startups are running independently, but there is lack of collaboration between them. Those Startups which are established from the beginning should have strong network with each other, so that it will be win-win situation for healthy growth of every Startup.

### **Summing Up:**

To know the pains and perils of Startup incubates we have approached them in a systematic pattern, put them in comfortable talk domain, taking them in most confidential way. The idea of such a series of meeting is to invite the Startup people or say start up leader out of their dens and converse in a neutral surrounding, not so much to catch them off guard, but to have a convivial chat on their business sufferings, so that we could offer better solution. Our findings from this research will help Startups and other parties of Startups Ecosystem to understand and make Ecosystem better. With team efforts we are able to touch the needs of Startup people. We are very grateful and obliged to all experts directly and indirectly involved with Startup activity.



# Chapter 1

## INTRODUCTION

---

The present chapter discusses the background of this research study, the overview of Startup industry that has garnered tremendous attention in last few years and the motive behind the study. It discusses an inside study of a Startups ecosystem in India. A journey through the pains, perils and glory of startups in non-metropolitan areas and selected metropolitan area. Evaluate the comparison of Startups based on their strategic plan. Present the effective strategic plan of Startups suitable for non-metropolitan areas as well as metropolitan areas.

### 1.1 Background

Startups is defined as “ An entity, incorporated or registered in India not prior to ten years, with annual turnover not exceeding INR 100 crore in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property”. (This definition given by Government on [www.Startupindia.com](http://www.Startupindia.com)) The number of Startups has grown from 7,000 in 2008 to 119239 as on 29.12.2020. Out of 119239 Startups registered on Startups India website only 40488 are DPIIT recognized Startups. (source [www.Startupindia.com](http://www.Startupindia.com) on 29.12.2020) The digital revolution has power to transform the lives and drive new narratives of growth, especially in rural India. And Startups are at forefront, breaking barriers and venturing into hitherto unexplored business terrains.

At the outset, the density of India is now being shaped in her economy and the incumbents playing roles as Startups are the prime players. There was a general trend that the son would absorb in forefather business. It is just like that the tailor son would become tailor and the cobber son would become cobber. There was a limited scope for service class, whose efforts are limited to their bread earnings instead of contributing to the GDP of the economy. The purpose of the research is to do SWOT analysis of Startups in non-metropolitan and selected metropolitan areas and suggest the measures that should be taken to strengthen the Startups ecosystem in non-metropolitan areas. For study evaluate the pains, perils and glory of untold story of Startups. The Startups ecosystem has been continuously striving to adapt to

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present situation as flexible as possible, by focusing on the need to innovate and diversify their business techniques and its operation. Evaluate the challenges faced by the Startups in unavoidable situations and their strategies to survive.

In the landscape of world commercial enterprise, defining innovation is rather ambiguous. Framing the society's desires correctly, and significantly assessing them is indispensable when it comes to defining innovation. Being capable of generate and apply new useful thoughts to address specific troubles through transforming them into answers that add fee to the society is crucial for the improvement of us. One manner via which revolutionary ideas can definitely impact societies is through newly emerged business ventures known as Startups. Startups innovation epitomizes the idea of taking dangers and responsibilities with the aim of developing feasible enterprise models to satisfy market desires. It additionally includes thoroughly assessing the capability improvement of an employer as well as uncovering opportunities that others cannot foresee considering the short tempo of disruptive technology.

Innovation, conveying new ideas and bringing them to existence has end up tough and aggressive. The geography of Startups hobby and assignment capital investment is experiencing a speedy length of globalization, accordingly making communities extra interactive with one another in phrases of trade of thoughts and design for solutions. A Startups, as such, represents a newly emerged commercial enterprise undertaking that has the aim of developing a possible commercial enterprise model with the intention to meet the needs of a society by means of developing a virtuous cycle that derives constant improvement via progressive solutions.

A Startups therefore, suits satisfactory in growing economies whose predominant goal is to lessen poverty and generate sustainable wealth through innovative answers which are capable of clear up industry-wide problems Considering the manner social, political, commercial and criminal elements shape a country's financial system, Startups create fashions designed to decorate the wellness and overall performance of the United States of America based totally particularly on those factors because the essential determinants to force change. Creating surroundings of innovation to offer answers to fulfill the desires and needs of individuals will foster a Startups subculture that is inclusive, green and valuable for everyone.

## **1.2 Definition of Startups:**

Startups India program is introduced by the Government of India (GoI) for promoting the Startups which are innovative, scalable, young, and want to do something big. Its objective is to help such Startups to get funding from internal as well as foreign investors and our country can grow further.

This program is overseen by a Department under Ministry of Commerce, Government of India which is named as DPIIT (Department of Promotion for Investment and Internal Trade). When Startups get recognition from Startups India, then it is given by DPIIT. According to Startups India, if Startups start any business, it does not mean that it is Startups. There are five fundamentals or factors based on which it is decided whether Startups are a Startups or not. The five factors are:

### **1.2.1 Age of Startup Entity**

When Startups are applying for recognition in the Startups India program, the age of entity should be less than 10 years. It means from the Date of Incorporation/registration of entity, till date, when Startups are recognizing in the Startups India Program, the age of entity is less than 10 years.

### **1.2.2 Entity type**

It means whether Startups entity is a Private Limited Company, an LLP, or a Registered Partnership firm. Only these three types of business entities will be considered as a Startups according to the Startups India Program for the various benefits offered.

### **1.2.3 Annual turnover**

According to Startups India, the turnover of the entity in any financial year does not exceed Rs. 100 crores to be recognized as a Startups.

### **1.2.4 Original entity**

Some big companies start a small business unit. These business units will not be considered as a Startups by the Startups India program. Startups need to register an original entity, i.e., a new company from scratch to get eligible for Startups India.

## **1.2.5 Innovative and scalable**

According to Startup India, the businesses that are working on innovation, i.e. service innovation and/or product innovation and also have scalability will be considered as the Startups. Most of the companies that are registered in Startups India are either scaling up their businesses using the Internet or by offline networking.

So, when Startups apply for Startup India program, DPIIT will judge Startups on all the above 5 parameters and will tell Startups whether Startups can be recognized as a Startups or not. If application is registered successfully, then Startups will get a number immediately but Startups get the certificate digitally after 2-5 days generally or more days sometime.

This complete process is automated and digitalized. Startups just need to visit the official website of Startups India, i.e. [www.startupindia.gov.in](http://www.startupindia.gov.in) and click on the “get recognized” link. After that Startups reach the login page and can easily apply for Startups India Program in simple steps. The website will ask Startups for companies’ MOA, AOA, registration certificates and other documents to check that on the five fundamentals of recognizing a as a Startups, which is discussed above. Once Startups upload all the documents, they will reach the final step. Startups don’t need to make any type of payment for this application. In a few days, Startups will get a congratulatory note that Startups are a legally validated Startups in India. Now Startups become a government certified Startups in India, so investors will also start trusting Startups and ready to invest in it.

## **1.3 Advantages of being recognized by Startups India Program:**

### **1.3.1 Patent and IPR Norms:**

Startups should know about patent and IPR norms as they do lots of innovative technology, process, products, or service and they started getting sales. But, suddenly, they came to know that their competitor if Startups do not have the IPR rights.

In Startup India program, the government has engaged lawyers to give Startups advice on IPR and patent, which Startups can easily implement in your business.

### **1.3.2 Tax Exemption for Startups:**

According to section 80-IAC, if Startups are a Startups recognized by Startups India, then for any three years of out of first ten years of age, Startups don't have to pay any income tax from year starting from 1st April 2021. 100% deduction is allowed from the profit. This is one of the biggest advantages given by the government to the Startups so that the Startups can save more cash and invest it in making more innovative products and scaling up their businesses. Startups will get this advantage only when Startup is Private Limited Company or Limited Liability Partnership and is recognized and certified by DPIIT and its turnover is less than 100cr in previous years and it is incorporated after 1st April 2016.

Startups can get information about this on the Startups India's official website as well as Startups can take the help of CA. On the Startups India website, there is a community where Startups can ask their questions and get free advice.

### **1.3.3 Tax Exemption for External investors:**

Whenever an external investor invests in Startups business, the government imposes a tax on it, which is called angel tax. An entity which has been granted certificate of startup is eligible entity by department for promotion of industry and internal trade, and can claim exemption under this section when a private limited company, receives any consideration from resident, for the issue of shares at premium. Hence premium won't be chargeable under Income from other sources subject to that aggregate amount of paid up share capital along with share premium after issue or proposed issue of share doesn't exceed Rs. 25 Crore. Section 56(2)(viib) of Income Tax Act 1961

While computing aggregate amount of paid up share capital along with share premium consideration received from a non-resident or a venture capital or fund shall be excluded in considering limit of Rs. 25 Crore.

It has mentioned certain list of assets where investment from such proceeds is not allowed like in case of motor vehicle, aircraft, yacht or any other mode of transport where actual cost exceeds Rs. 10 lakhs, other than held by startup for the purpose of plying, hiring, leasing or as stock-in-trade in the ordinary course of business.

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Reference:<https://www.startupindia.gov.in/content/dam/investindia/Templates/public/198117.pdf>

There are also certain conditions which are required to be fulfilled as specified in notification no G.S.R. 127(e) dt. 19-02-2019 issued by Department of promotion of industry and internal trade (DPIIT) for claiming benefits under section 80- IAC & section 56(2) (viib) of the Income Tax Act, 1961.

Through Startups India program the government to enable ease of doing business, the taxation framework for Alternative Investment Funds (AIF) provide pass-through status to profits of the AIF (Category I and Category II) to the investors under which any income, barring business income, earned by AIFs would be exempt in the hands of such AIFs, and taxable directly in the hands of its investor(s). A huge taxation relief is accorded to non-resident investors of AIFs in India due to which overseas investment by AIFs of non-resident investors is not taxable in India and thereby leveraging ease of doing business in India. Tax incentives are not only provided to the investors of AIFs, but entities who receive investments from AIFs are also accorded a beneficial taxation position which includes exemption of venture capital undertakings availing funding from Category I and Category II AIFs from Angel Tax, start-ups are allowed to deduct their investments from VCFs while calculating the share capital to deduce whether they are eligible for exemption from taxation of any excess premium received by a closely held company upon the issue of shares.. Thus, Startups investors also have a big advantage. Now instead of investing their money in an instrument, they will invest it in Startups business. So, Startups and their investors will also be able to create more wealth if the Startups becomes very successful and scalable.

### **1.3.4 Easy Winding –up of Company:**

It may be possible that Startups Company is not working well or about to fail, which happens most of the time and failure is ok. However, the winding –up of companies is very difficult. Many professionals suggest Startups Company not to wind up company and Give their company to somebody else by giving the directorship of company to someone else. But the winding - up of the company is a very tough and long process.

However, Startups India has made the winding –up process very easy. Startups Company just have to hire an insolvency professional. They will do

the valuation of company's balance sheet and tell the government that the company is not doing any fraud, it is actually wrapping up.

### **1.3.5 Easier Public Procurement Norms:**

Most of the small companies and Startups want to know how to apply for the tender of credit, listed or public companies. If Startups are a recognized Startups India, then Startups can apply in such tenders.

A few years back, the tender process was not very fast. For applying in a tender, had to prove that Startups are 10 years old with a huge turnover, cash, large number employees etc. At that time, Startups were not allowed to apply for the tenders. But, today Startups India has allowed the Startups to apply for the tender of listed and public companies if they have done some innovation or have a scalable model.

Startups India has its desks or small offices around the world. So if Startups have done an innovation and customers are in Germany and Startups do not have so much money to go to Germany, then the Startups India will take Startups to such excursions on their expenditure and open several networks for Startups to promote its product globally through one organization named, invest India.

If Startups are a recognized Startups by Startups India Program, then Invest India will help Startups to go abroad. Invest India will help Startups to acquire customers or technology from the 12 countries with whom India have good trade relations. Even Startups can set up their stalls in the trade shows of these 12 countries with the help of Invest India.

## **1.4 Types of Start-ups:**

The Startups has six types according to Steve Blank. It is given below.

**Lifestyle Startups:** Way of life business people is carrying on with their favored lives while working for nobody, yet themselves. In Silicon Valley, such experts are independent coders or website specialists, who love their positions, in light of energy.

**Small Business Startups:** Independent ventures are markets; beauticians, dough punchers, travel planners, woodworkers, circuit testers, and so on they are those, who runs his/her own business to take care of the family. Private business venture isn't intended to scale.

**Scalable Startups:** From the earliest starting point, the originators accept that they will change the world. Such new companies recruit the best and the most splendid. They generally look for a repeatable and versatile plan of action. At the point when they discover it, they begin to search for more investment to support their organizations. Regularly adaptable new businesses bunch together in advancement groups. For example Google, Twitter, Facebook are the scalable Startups example.

**Buyable Startups:** During the most recent five years, new businesses that offer Web and versatile application arrangements are offered to bigger organizations. This propensity turns out to be increasingly well known. Their objective isn't to construct a billion-dollar organization, however to be offered to a bigger organization for pretty money.

**Large Company Startups:** Huge organizations have a limited life length. Changes in client inclinations, new advances, enactment issues, new contenders make pressure, compelling huge organizations to make new creative items for new clients in new business sectors

**Social Startups:** They are energetic and headed to have an effect. In any case, in contrast to adaptable new companies, their central goal is to make the world a superior spot, not for the good of wealth, but rather for a thought.

### **1.5 Startups Ecosystem in India**

The Start-up India initiative was launched on 16th January 2016, by Honorable Prime Minister. The PM unveiled Action Plan of 19 Points. Since the inception of this initiative

- Over 41000 Startups have been recognized by the Government
- These Startups are spread over 565 districts from 28 states and 9 union territories of India
- These Startups have created 2.9 lakh jobs across the country, with 45% of them having base in Tier 2-Tier 3 cities
- India is the largest in number of Startups being added every hour(4 Startups per hour), 3rd largest in number of Startups and the 3rd largest unicorn community

Source <https://www.investindia.gov.in/startup-india-hub> on 31.12.2020



## Introduction

The Startups ecosystem in India is evolving very fast. Some key outcomes of Indian Startups growth story as on 31st March 2020 are as follows

- The current median age of founder entrepreneurs lies at only 31 years
- India is home of 32 Unicorns
- The entire Startups ecosystem raised \$50 Billion funding between 2014-2019
- More than 43% of the total Startups in India have one or more women directors
- Leading sectors that pervade the Indian Startups Landscape are
  - ✓ Fintech \$5.7 BN
  - ✓ Enterprise \$3 BN
  - ✓ Health Tech \$1.4BN
  - ✓ E-Commerce \$11.7BN
  - ✓ Logistic \$1.2 BN

Source States' Startups Ranking Report 2019 published by DPIIT on 11th Sep 2020

India has been very active in creating healthy Startups ecosystem, and the growth in the number of Startups in increasing year on year.

The following table shows the Startups statistics of India

**Table 1.1: Startups statistics of India**

Particulars	India	Mahara shtra	Gujrat	Mumbai	Pune	Delhi
Startups	119239	21256	7577	6718	5748	15467
DPIIT Recognised	40488	7583	2210	2363	2243	5107
Mentors	636	135	29	69	44	151
Investors	93	26	3	22	2	24
Accelerator	147	33	3	25	6	33
Corporates	14	2	0	1	1	2
Incubators	643	63	34	26	9	58
Government bodies	53	6	0	4	1	27

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As on 29.12.2020 out of 119239 Startups registered on Startups India website only 40488 are DPIIT recognized Startups. But the number of Startups are increasing very rapidly. When this study was started on 4.8.2020 the number of Startups on website were 89986. With 146 days the number increased by 29253 i.e by 32.50%. During lockdown people use the time and started new ventures with the help of technology. They recognized the problem face by people and tried to solve them. Many new tech based Startups are started in the field of agriculture, education, logistic and e commerce. The above table shows growth where the Startups ecosystem is working with all stakeholders are working together efficiently. Mentors, Investors, Accelerator, Incubators and Government bodies plays significant role in development of Startups. So, number of Startups in metropolitan areas are more than rural and semi urban areas. This is further elaborated with the help following table.

**Table 1.2: Startups statistics of Startups from Ahmedabad, Sangli, Kolhapur and Satara**

<b>Particulars</b>	<b>Ahmedabad</b>	<b>Kolhapur</b>	<b>Sangli</b>	<b>Satara</b>
Startups	3499	207	140	105
DPIIT Recognised	1195	67	30	30
Mentors	24	0	1	0
Investors	3	0	0	0
Accelerator	2	2	0	0
Corporates	0	0	0	0
Incubators	21	0	2	0
Government bodies	0	0	0	0

### **1.6 Startups Ecosystem Players/ Stakeholders:**

The Startups ecosystem in India comprises of multitude of stakeholders. The promoters, entrepreneurs and their companies' plays most important role, other players have proven to be drivers of growth in their entrepreneurial stories. These stakeholders include

#### **1.6.1 Funding Organization**

- Savings of Founders ( Private capital)

- Family and friends
- Angel Investors
- Venture capital
- Incubator/company builder and/or accelerator
- Government subsidies
- Crowd funding
- Bank Loan
- Venture Debt/IPO/ICO/others
- Internal financing( Operating cash flow)

### **1.6.2 Supporting Organisation**

- Incubators
- Accelerators
- Mentors

### **1.6.3 Intellectual property (IP) and research Institute**

IP is a form of intangible asset created with respect of business and its operation. These may include trademarks, copyrights and Patents apart from Design and geographic location. Research Institute and universities help Startups to gain industry knowledge, develop business plans by offering innovative products, process or service solutions.

### **1.6.4 Local and Global Market**

Growth is essential part of Startups, so access to national and global market becomes pivotal for their progress.

### **1.6.5 Service Providers**

Service Providers include consulting, legal and accounting companies. Legal, accounting and other expertise is imperative to assist the Startups to grow rapidly and efficiently.

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They help Startups to navigate the complex rules and regulations and offer advisory services for managing their business risks.

They also provide business advisory services like feasibility studies, pilot management, design and execution support, funding and investments etc.

### **1.7 Research Gap:**

The survival and success ratio are low for Startups in non-metropolitan as well as metropolitan areas. Though 70% of the India's huge 1.3 billion population lives in non-metropolitan and rural area and 50% employment is provided by agriculture sector, a smaller number of Startups are developed in these areas. The research will be SWOT analysis of Startups in non-metropolitan and selected metropolitan areas and will suggest the measures that should be taken to strengthen the Startups ecosystem in non-metropolitan areas. The ecosystem exist but is not in sink. No such comparative study was done before and suggested measures for improvement.

### **1.8 Hypothesis:**

- In Non-metropolitan area the failure of Startups is 80%.
- In metropolitan area the failure of Startups is 70%.
- Startups supported by incubation center will grow better than other Startups.
- Financial analysis of Startups is weak.
- Startups are not following the strategic planning.
- Incubates under Startups, can't succeed without Government support.
- External funding is necessary to succeed.
- New innovations, new ideas and new vision are not accepted easily by society.

### **1.9 Objectives:**

- Investigate the start-up entrepreneurs' financial challenges.
- Analyse the failure of start-ups.

- Evaluate the role played by other stakeholder of start-up ecosystem i.e. Mentors, Investors, and Accelerators, Corporates, Incubators and Government bodies in sustainability of start-ups.
- Evaluate the strategic plan (operations vision mission and funding opportunities of) of Startups.
- Distinguish the Startups in selected metropolitan and non-metropolitan areas.
- Present the effective strategic plan for Startups.
- The incumbents under 30s increasingly engage in the “gig economy” instead of traditional full-time employment but there is little research into young people’s experience of this type of work.
- To find out the main factors that influence young people’s decision to engage in GIG economy.

### 1.10 Research Methodology:

In this study researchers have dissected, analysed, cultivated, segmented the pains and perils of incubates in this fields. Study has been carried out in the following manner:

- **Exploratory study** has been carried out to known more regarding the study
- **Descriptive study** has been made to understand the characteristics of Startups people
- **Diagnostic study** was done to obtain the ground reality of Startups phenomenon.
- **Hypothesis Testing** was carried out to test the assumption to analyse & evaluate the Indian Startups.

The researcher has carried out various types of research to thoroughly understand the behaviour pattern of Startups in India like **Basic and Applied Research, Descriptive and Analytical Research and Quantitative and Qualitative Research**. Research data collected from primary as well as secondary data into account. Qualitative and quantitative method of data collection will be used to collect data from primary and secondary data sources.

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- The systematic analysis of secondary inputs/information available/collected through following sources will be used for study:
- Reports of various government departments
- Special reports on Startups and entrepreneurial development from various institutions like FICCI, NASSOOM
- Various research work done on similar or related field
- Publication of various reports by various state governments
- Articles published by newspapers/magazines

Interview will be taken through online or offline mode. Questionnaire will be prepared and get filled from sample selected. Random sampling will be done from Startups at various stages. The Analysis will be done by statistical analysis using statistical tools such as SPSS software, software excels, etc.

The research work has been conducted at Sangli, Satara, Kolhapur district, Maharashtra, India and Ahmedabad metropolitan city. For testing the hypothesis, the Survey has been carried out. The questionnaire has been prepared and feedback has been taken from the start ups' in the selected metropolitan and non-metropolitan region. Evaluated the hypothesis and objectives. In research work it is decided to analyze the problems faced by the Startups. Total 55 Startups have participated in the survey. Survey was conducted during the initial stage of the research work, after a span of one month of research and again after one month.

Four prominent variables were selected for research analysis, such as,

- Failure of Startups,
- Support of incubation center,
- Financial analysis
- Strategic planning

These variables were analyzed for statistical analysis by using following statistical methods;

- **ANOVA (analysis of variance) Analysis:**

The use of ANOVA depends on research design. One-way ANOVA was used for research. ANOVA test analyzes the factors affecting on the input data sets. The test provides the input data for additional tests and analysis. It

analyzes the sole factor analysis on sole response variables. One-way ANOVA is suitable for one group i.e. in research Startups, but conducted the same questionnaire for three times.

**One -way ANOVA Test Equation:**

$$F = \frac{MST}{MSE} \quad (1.1)$$

$$MST = \frac{SST}{p-1} \quad (1.2)$$

$$MSE = \frac{SSE}{N-p} \quad (1.3)$$

$$SSE = \sum (n - 1) S^2 \quad (1.4)$$

Where,

F= ANOVA coefficient,

MSB= MEAN sum of the squares between the groups

MSW= MEAN sum of the squares within the groups

MSE= MEAN sum of the squares due to error

MST=MEAN Total sum of squares

SST= Total sum of squares

P  
= Total no. of population

N= Total no. of samples in population

SSB= sum of the squares between the groups

SSW= sum of the squares within the groups

SSE= sum of the squares due to error

SST= Total sum of squares

S = standard deviation

N= Total no. of observations.

Table 1.3: ANOVA testing required equations

Source of Variation	Sum of Squares	Degree of Freedom	Mean Squares (MS)	F
Within	$SSW = \sum_{j=1}^k \sum_{i=1}^l (X - \bar{X}_j)^2$	$df_w = k - 1$	$MSW = \frac{MSB}{df_w}$	$F = \frac{MSB}{MSW}$
Between	$SSB = \sum_{j=1}^k (\bar{X}_j - \bar{X})^2$	$df_b = n - k$	$MSB = \frac{MSB}{df_b}$	

**df:** df means the degree of freedom equal to the sum of individual degrees of freedom for each sample. Each sample has degrees of freedom equal to one less than the sample sizes.

**Mean Square:** Mean square is obtained by dividing the treatment sum of squares by degree of freedom. This represents the variation between sample means and used to determine the factors significance.

**F:** F is the ratio of two mean squares. This is named as factor of the ANOVA testing.

**Sig:** Sig means the significance of ANOVA. Significance value of 0.05 is well. Based on this value the hypothesis are tested.

**F-Test:** F-test is calculated using following formula:

$$F = \frac{\sigma_1^2}{\sigma_2^2} \quad [1.5]$$

Where,  $\sigma_1^2$  is the variance of the first sample

$\sigma_2^2$  is the variance of the second sample.

- **ROC (Receiver Operating Characteristics) analysis:**

It is curve of sensitivity (positive rate) on Y coordinate verses specificity (negative rate) on X coordinate. This is the excellent classifier. In research work it represents the number of Startups affected by positive rate as well as negative rate.

The ROC curve Plots TPR(T) verses FPR(T) by considering T as the varying parameter.



$$\text{TPR (T)} = \int_T^{\infty} f_1(x) dx \quad (1.6)$$

$$\text{FPR (T)} = \int_T^{\infty} f_0(x) dx \quad (1.7)$$

Where,

X= Continuous random variable,

T= Threshold Parameter,

F<sub>1</sub>= positive class,

F<sub>0</sub>= Negative class

- **Correlation analysis:**

Correlations show how strongly the variables relates with each other. It gives the strength of the correlation of variables used in research work. Pearson Correlation is used in research.

The analysis of Startups was carries out. The financial impact, success, failure and strategic plan of survey on research were discussed and evaluated.

Pearson Correlation Coefficient Formula:

$$\gamma = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2} \sqrt{\sum(y_i - \bar{y})^2}} \quad (1.7)$$

Where,

$\gamma$  = Pearson correlation coefficient,

$x_i$  = values of the x-variable in a sample,

$y_i$  = values of the y-variable in a sample,

$\bar{x}$  = mean values of the x- variable,

$\bar{y}$  = mean values of the y- variable,

## 1.11 Layout

### Chapter No. 1:

The Research introduction, gap analysis and need of research will be described in the introduction chapter.

**Chapter No. 2:**

Chapter 2 includes literature review. Information conveyed in reputed journals and conferences supports to solve the research problem. The focus will give on research concepts related to start-ups.

**Chapter No. 3:**

Chapter no.3 will describe the research design and assumptions made while solving the research problem.

**Chapter No. 4:**

Chapter no.4 covers the survey and case studies of Startups in non-metropolitan area.

**Chapter No. 5:**

Chapter no.5 covers the survey and case studies of Startups in selected metropolitan area.

**Chapter No. 6:**

Chapter no.6 of the thesis will concentrate on analysis and evaluation of research work. Evaluation of research work will be carried on non-metropolitan area and selected metropolitan area.

**Chapter No. 7:**

The chapter no.7 describes the main results and contribution of the research work. It suggests measures required to improve the system.

**Chapter No. 8:**

The chapter no.8 describes the conclusions. Future research development, its directions and open-ended problems will mention at the end of this chapter.

**1.12 Closure:**

The present chapter provided the prologue to the research, highlighting its scope and importance. It also underlines the aims and objectives of the study. The next chapter that is chapter 2 discusses the literature review pursued for the study.

# Chapter 2

## LITERATURE REVIEW

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### 2.1 Introduction

Now day's Startups are attracting more attention. Government of India providing lot of opportunities to Startups. Literature review addresses the issues, challenges and study of Startups addressed by the researchers. Literature review provides the comprehensive summarization of Startups. It provides the critical review of articles, books, thesis and different websites related to Startups. Literature review helps researcher to increase the overall knowledge of Startups by synthesizing, evaluating and analyzing the sources of work published on Startups. Literature review helps to clarify & interpret the available research work done on Startups.

### 2.2 Literature Survey:

**Sarika Sharma et al. [1]** analyzed 57 Startups companies in India operating in different sectors. They have raised various issues and challenges faced by Startups such as finance, marketing, technological development. Researchers had evaluated the data by only using MS Excel. Finally, they have raised that there should be detailed study in Aggrotech, Education and Automotive sector.

**G. Suresh Babu and K. Sridevi [2]** evaluated the challenges and opportunities of Startups in India based on secondary data. They have listed few major issues faced by Startups in India. They have also listed few opportunities for Startups in India. Researchers have explained the opportunities with few examples.

**Naveen Garg [3]** analyzed impact of Startups on Indian economy. By overcoming the few challenges faced by Startups they have listed few growth factors likely smart phones and funding houses. The researchers have focused on young India to make self-independent by motivating youngers to Startups their own businesses.

**Neeraj Pandey [4]** statistically have proved that there is least impact on gender, education and institute. He has surveyed seed funding and private equity in four major cities mainly Mumbai, New Delhi, Chennai and

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Bangalore. He has proved that Bangalore is the best ecosystem for Startups among four major cities. He has tested ANOVA testing and multiple regression analysis. Researcher had considered funding as dependent variable and education, gender, institute, funding type, experience had independent variable.

**Sana Tak [5]** described the Startups India. Researcher supported that young entrepreneurs support the economic progress of India and they overcome the rural poverty of India. She clarified the SVEP and its role for rural entrepreneurship in India. She analyzed the segments of rural entrepreneurship and problems of rural entrepreneurship in India. Clarified concept of Startups and its definition which motivates the young entrepreneur.

**P. Premkumar et al. [6]** presented the report of Startups in India. The report clearly listed the government support to Startups ecosystem. The report addressed with few requirements for friendly environment of Startups growth in India. The report had motivated that there is venture prospect in India if properly supported to Startups.

**Aditya Lal [7]** the history and scenario of entrepreneurship in India had explained. The researcher compared with Startups with other countries. The paper listed with key highlights of Startups in India. He concluded the India Startups must be encouraged to all untapped member of India.

**Hemalata Radhakrishna and Patel Nagaraj Goud [8]** evaluated the evolution of Indian Startups. Researchers highlighted the positive as well as well as negative points of Indian ecosystem. Researchers explained that Indian Startups support structure is growing and supporting continuously to Startups. Researchers differentiated funding verticals, mergers and acquisition breakups. Entrepreneurs had evaluated based on age, education qualification and Startups category. Finally they concluded that there had tremendous growth on Startups in India and opportunities are available for entrepreneur.

**Dan J. Wang [9]** analyzed returnee entrepreneur who had worked in United States before returning to home country. The research focused on the impact of social networks and entry of entrepreneurship. The paper supported that cross -border ties supported to returnee entrepreneurs. In the research the control variables are educational background, age, gender and time of visa. The dependent variable is start up entrepreneur in home country and

independent variable is cross border tie. The paper motivates the returnee to start the start at home country.

**Aaron H. Anglin et al. [10]** contribution to the aspirations of the organization and contributed to companies by informing and evaluating the influence of a rigorous management of strong responsive behavioral responses, and that operational responses can influence highly relevant types of search proposed by Varkey Titus Jr. and his team [1]. In particular, they examined the impact of equitable corporate external accountability performance. Then they suggested in that corporate governance (EO) is a critical emergency in which the firms respond to the discovery of discrepancies. Their findings indicate that the factory EO is an important emergency when considering the behavioral responses to the discrepancies found. Are firms basically similar in terms of their responses to achieving diversity? They explored this question by empowering and assessed the 's EO influence for responses to aspiration-relative performance when deviations above and below the desired performance are observed. The results show that ante 's firm stance has an impact on the way people work in response to performance feedback in making their next decisions. The research shows that a formal stance has an impact on the relationship between active response and commitment to ECV, and he believe that this suggests that some of the consequences may be under this systematic emergency. There is a lot of work to be done in determining the diversity of firms in the way they basically respond to or fail to respond to the stimuli that are held to be the quintessential vis-à-vis that contradicts the BTF controversy. The Crowdfunded microfinance study has repeatedly examined how the benefits of the campaign make money for mobilization campaigns but have overlooked the role of microfinance institution (MFI) proposed by Aaron H. Anglin and his team.

**Varkey Titus et al. [11]** signed a counter-notion that the MFI businessmen 'involvement' is a separate sign that demonstrates the effectiveness of their mobilization campaign and examines how the financial and social performance of MFIs drive the funding campaign. Their assessment of 220,649 loans paired with 173 MFIs supports our argument. They provide an understanding of the importance of third-party signals in crowdfunding and how investors want to balance social objectives and financial concerns with the crowdfunding microfinance. The work provides evidence that the MFI merger serves as an important indicator for high-income entrepreneurs. They found that MFI's financial and social performance predicts the likelihood that

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the mass recovery campaign will be funded. For researchers, they took the necessary step forward in understanding the role of MFI as an important, but most visible, phenomenon that affects many of the technologies collected. Experts, they offer an understanding of how investors should pay attention to the merits of MFI partnerships, which will hope inform of the refund decisions of the crowdfunding forum- MFI partnership decisions.

**Congcong Zheng et al. [12]** The author inspects how the related involvements of new venture leaders (NVLs) influence organizing behaviors during the beginning phases of chance abuse. I contend that absence of earlier experience builds the questions that NVLs face while seeking after circumstance misuse. Absence of specialized experience builds specialized questions, while absence of Startups experience increments Startups questions. Utilizing a subjective procedure, they had research 22 NVLs and find that they differ on three measurements: organizing time direction, wanted advantages, and organizing activities. To find that fledgling NVLs, the individuals who need specialized or Startups experience, will in general use momentary direction, lock in in organize extending activities, and look for operational advantages from their systems to alleviate specialized and Startups questions. Conversely, double experienced NVLs, those with specialized and Startups experience, are guided by long haul directions, organize widening activities, and a focus on emblematic advantages. The authors additionally locate that specialized and Startups veterans show a mix of those practices. The authors add to the writing by representing a lot of three suggestions portraying contrasts in NVL organizing practices dependent on contrasts in Startups as well as specialized experiences. This investigation, along these lines, features the impact of NVL experience on beginning phase systems. Policymakers progressively request private endeavors to help explain social and biological difficulties looked by countries around the world.

**Virva Salmivaara and Ewald Kibler [13]** utilized Toulmin's manner of speaking model to clarify how European Union arrangement way of talking verbalizes the significance of enterprise for supportable turn of events. Our discoveries exhibit a "manner of speaking blend" of argumentations through which strategy way of talking passes on three implications of business enterprise—recipient in restorative manageability, giver in valuable maintainability, and entrepreneurial administrator in confident supportability—and forces shared convictions that outline the arrangement

talk. All in all, present a system of “manner of speaking” to propel research on enterprise strategy talk and maintainable business enterprise. To accomplish this, the policy utilized Toulmin’s way of talking model to clarify how the EU’s strategy manner of speaking verbalizes the significance of business enterprise for practical turn of events. Expanding on our key discoveries, we built up a novel system of “manner of speaking” that clarifies how the transaction of argumentation structures passes on different implications of business enterprise and economical turn of events, and proposes how the suppositions pervasive in the way of talking blend outline the thought of supportable business in strategy talk.

**Magnus Henrekson and Tino Sanandaji [14]** compiled four rules of Schumpeterian for high scale and six for small scale. The two factors are used for to achieve this goal such as resolving high impact factor and resolving low impact factor. Now a day’s self-employment is used to measure Schumpeterian. The way that the quantity of recently began firms has fallen strongly in the United States and other propelled economies ought not really be deciphered as a decrease in high-sway Schumpeterian business and may surely be predictable with steady or increasing rates. The main purpose of the paper is to find the influence of personality traits on social entrepreneurial intention over the Owners of civil society organizations in Vietnam. How to achieve the goals of sustainable development is one of the problems that government has faced. There are 12 various factors which collectively make a integrated model of entrepreneurial intention. The paper mainly focused on the owners of CSOs of Vietnam. The data is collected from owners of CSOs of southeastern of Vietnam for survey purpose. Risk taking, need for achievement, Proactiveness, Locus of control, Innovativeness, sense of responsibility, Empathy and Social Vision these are eight constrains of personality traits.

**Phan Tan Luc [15]** gave the similarity and differences between the social entrepreneurial and commercial entrepreneurial. There are three important finding which are as first there are nine personality traits only five of them proposed by the author influenced social entrepreneurial intention through SN, Second the author states two hypotheses have an impact on social entrepreneurial intention through ATB and SN and last with respect to theories of relationship between determinants of planned behavior theory, these determinant shows their part in forming the social entrepreneurial intention.

**Federico Caviggioli et al. [16]** stated the positive estimation of licenses. Both the size and the attributes of YIC. Patent portfolio has been seen as emphatically connected with the aggregate sum of VC financing. Also, the connection between a YIC patent portfolio and VC venter fluctuate across enterprises and over rounds of subsidizing. In spite of the fact that the quality of licenses is emphatically connected with VC interests in areas with solid Intellectual Property (IP) System, the equivalent doesn't have any significant bearing to parts portrayed by lower patent power, where subjective measurement appears to have a more grounded internship. For firms working in parts with powerless IP systems, licenses are decidedly related with drawing in value capital, on the off chance that they are the yield of R&D joint efforts and have higher specialized merit. In ventures where patent force is higher, patent portfolio size issues more than quality. The significance given by VC firms to various attributes of YIC patent portfolio has been broke down regarding size, quality and unpredictability. While past observational investigations for the significance of licenses for VC financing choices shifts across businesses and over various rounds of speculation. The aftereffects of the examination affirm that both the quantity of licenses possessed by YICs and a few attributes of their patent portfolio, identified with both quality and unpredictability of the inventive yield of the YICs, are fundamentally related to the aggregate sum of VC financing. The innovative degree is emphatically identified with VC financing in an arrangement states, therefore proposing a premium for potential redeploy ability, while it is adversely identified with the sum put resources into later stages. The proof purpose that financial specialists are bound to contribute the biggest sum that is common of the later stages at whatever point the objective YIC enters the development stage with more explicit advances and items and on a perceived market. An arrangement adjustment is greater for those organization which have innovations with a more extensive degree and those are creates with accomplices. Coordinated efforts likewise appear to issue for firms that are engaged with resulting stages of venture. Despite what might be expected, at later stages, when bigger measures of capital are included, YICs with bigger and better patent portfolios on normal appeared to get a VC financing premium.

**Roy Cerqueti et al. [17]** explained human capital (HC) in terms of education and experience of team members consistently explains venture evaluation only when considering the larger team of affiliates. The HC gathered by nascent entrepreneurs is not because of the simplistic sex condition, but



rather to a generated motivation related to the inferior need of achievement of women. Ladies should be taught on the most proficient method to re-balance their own inspiration towards business enterprise by encouraging their motivating forces for accomplishment. Political and instructive projects could trigger accomplishment in the formation of new organization drove by ladies. In the first place, the highlights of the confined group of proprietors are not significant for the endeavor's advancement. This is valid rather, for the bigger group of members, including key not-proprietors and assistants. Second, the size of the group doesn't influence, in essence, the advancement of the beginning up into another firm, however just comparable to the human capital that underlies the group. Third, the simple organic state of begin ladies (sex) is deficient to clarify the basic human capital of group. Or maybe, sex appears to have a sway to the extent that it is in a roundabout way connected with various inspirations towards business, profoundly gendered. The craving for progress has a critical and positive effect on the enrollments of exceptionally qualified individuals as far as training and experience. Ladies appear to do not have this want, being driven by inspirations identified with the job that they anticipate that society should dole out to them.

**Daniela Gimenez et al. [18]** described high manliness as well as low independence intensify the connection between the open use on childcare what's more the probability that ladies will become business visionaries. High – liberal social orders debilitate the negative connection between the length of parental leave and the probability that ladies will become business people. We give a nuanced picture of ladies' business by thinking about the dismissed job of casual organization. By utilizing a multi - level approach, we watch the job that culture, as a casual establishment, plays in enterprise, particularly, ladies' business enterprise. Future examination ought to increase the quality of years used to inspect the connection among formal and causal foundations after some time and study how those impacts influence business visionaries what's more, ladies progress from the work market to business. Ladies business people, to consider causal foundations while making open approach. Since the impact of formal foundations, for example, the open consumption on childcare and the length of parental leave, especially if the nations are described by significant levels of manliness, independence and extravagance. Hence, strategy producers ought to break down the social setting and structure open to be compelling in a particular nation.

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**Hamid Etemad [19]** discussed the issue with the time that mankind is encountering an overall crisis, phenomenal weaknesses. The coronavirus (COVID-19) has introduced the world to weaknesses that have not been experienced already. Due to coronavirus whole world shuts down and these affect all iSMEs and SMEs not only national level but also at international level. This coronavirus breaks all supply chains from national and international level affects the working of SMEs from top level to grass root level. SMEs loses opportunity for their growth in this pandemic, they favor survival or self- preservation activities. Factors that contributed to past crises for short as well as long terms are uncertainties, the impact of resources and capabilities, time timing and longer-term uncertainties, past experiences and the firm stages of life cycle, the state of competition, the state of communication and information. Aside from coronavirus crises world experienced many more crises which affects SMEs directly or indirectly.

**K. Sunanda [20]** discussed business strategies. The paper included start-up India scheme announced by Prime minister of India in 2015. It revealed current state of start-up developments in India and gives numerical information about it. Whole things are mentioned in paper done by government to increase start-ups on India. To start start-ups in India clearance of government is necessary, only because of this the newcomer entrepreneur gets benefits from government. E-biz portal, MUDRA bank, Atal innovation mission gives benefits. As all entrepreneur not succeed in start-ups, there are many ways to avoid failures like proper marketing, proper pricing and customers feedback. Zomato and redbus Startups strategies are discussed in paper as a case study. As these are two applications present on android play store as everyone who need can easily get an access. Zomato is started in 2010. Goals set by them, strategies for growth, marketing strategies, hurdles, success factors, investments and social media strategies is discussed here. All above things are depends on each other. After couple of years start up become a successful business. In other Redbus story not whole story is same. The founder's problem become an idea of Startups and now successful business now. The goal of , strategies, increase the network and increasing the facilities whole things is discussed. When start up is started there are no social media craze and now it becomes our daily routine the founder has to change their strategies.

**Deloitte [21]** published message from Confederation of Indian Industry. The technologies used in banking sector for the regulatory system in India. Their

whole study is to give information about how banking sector become digital as Prime minister of India launches digital India campaign 2015. The Deloitte point of view for increasing technologies in banking sectors as AI and robotics. Partnership in banking and fintech partnership comparative study had discussed in emerging collaborative landscape. Growth through innovation section is study of AI opportunities, DLT chain, automation and cyber security. The solutions to hurdles or challenges came in adaptation of technology. The whole research report is study by confederation of Indian Industry which non-government, nonprofit non industry led organization.

The note titled as Coronavirus: The Black Swan of 2020 highlighted the need of questioning every assumption about one's business pertaining to cash-flows, fund-raising, marketing, sales forecast, capital spending etc.[22]

The guide titled as Best Practices for Founders of wake of Covid-19 provides guidance on various aspects related to fund raising, restructuring business continuity plans, re-designing business processes and so on.[23]

It is suggestive that the value of investment in India has fallen to \$0.33 billion in March 2020 from \$1.73 billion in March 2019, which indicates a fall of nearly 81.1%. There has been total fall of 50% in the number of companies funded presently, 69 firms in March 2020, in contrast to 136 firms in March 2019. Thus, one of the major challenges faced by the Startups has now become sourcing funds, which has resulted in cash flow issues, for many.[24]

The lockdown has not only impacted the daily business operations, but it has also forced a good many Startups into preparing for contingency plans to limit workforce and to cut down employee salaries. Various Startups founders have also taken pay cuts to limit the losses faced.[25]

As per Nasscom report based on the survey conducted with over 250 Startups in India that have diverse profile and include large share of mid-range Startups alongside mature and early-stage Startups, around 62% are suffering revenue decline over 40% in metro cities. The major decline in revenue was reported by tourism, travel and transport and logistic Startups.[26]

**Addiko Bank AD[27]**, This paper presents PESTEL examination of the full scale climate on the case of Startups associations in the Republic of Serbia. In view of the examination results, it very well may be reasoned that in the outer climate of Serbian Startups associations, the open doors are more

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grounded than the dangers, ie. that the outside climate has a general positive effect on the new . During the examination, Startups associations in the Republic of Serbia perceived four gatherings of variables as essential dangers: political, monetary, natural and legitimate, while social and innovative components speak to just open doors for progress and advancement in business. As political components that represent a danger, Startups associations expressed: Introducing stricter food creation guidelines that would require innovation change; Change in political structures, sway on delicate, on open area purchasers; Local government choices; New interstate arrangements in air traffic. Monetary variables represent a standard danger, for example, Competition, created, solid and various. As natural factors that can contrarily influence business, Startups associations recorded: Introducing stricter guidelines that could expand creation costs and require extra ventures; inadequate support of public parks; Underinvestment in biology. Among the lawful elements that can endanger a Startups association, the most critical are: Changes in assessment guidelines; stricter purchaser insurance guideline; stricter participation necessities for the travel industry affiliations.

**Moreno Bonaventura [28]**, The drawing for huge scope online information we can build and investigate the time-fluctuating overall organization of expert connections among new companies. The hubs of this organization speak to organizations, while the connections model the progression of workers and the related exchange of expertise across organizations. We use network centrality measures to evaluate, at a beginning phase, the probability of the drawn out sure monetary exhibition of a beginning up. We find that the beginning up organization has prescient force and that by utilizing network centrality we can give significant proposals, at times multiplying the present status of the craftsmanship execution of investment reserves. our organization-based methodology underpins the hypothesis that the situation of a beginning up inside its biological system is important for its future achievement, while simultaneously it offers a powerful supplement to the work serious screening cycles of investment firms. Our outcomes can likewise empower strategy creators and business visionaries to direct a more target evaluation of the drawn out possibilities of development environments, and to focus on their intercessions in like manner.

**Yu Qian Ang [29]**, In this paper novel approach is develop for post-money valuation of Startups for different section such as sector, regions and

probabilities of the achievement. Our methodology offers an observational point of view to new businesses, policymakers and adventure assets to benchmark and anticipate valuation and success, clearing some opacity in the modern Startups economy.

**Robert H Meyer [30]**, has given a review on entrepreneurship, knowledge management and technology policy literature. A considerable assortment of expert and scholastic writing tends to India's strategy with respect to development, information the board, protected innovation rights, business venture, hatching, and, innovation move and commercialization. In replication to the modern economy along with technology changing more faster pace and product lifetime cycle shrinking, technical entrepreneurship has clearly assumed a central role in India's economic growth. This paper includes analyses a selected literature sampling, sheds light on the scope of the body of subject literature, and, identifies reoccurring concerns and recommendations.

**Priyanka Sharma [31]**, has introduced women entrepreneurship development in India. A woman entrepreneur is a woman who starts and owns and enterprise by investing at least 51% in an enterprise. Here author has explained about women entrepreneurship development is very low in the rural areas in India. The women entrepreneurship will improve a wealth of our nation. Today's women are more willing to do work than men and they have more skills to challenge the global market.

**Tanvi [32]**, has explained social entrepreneurship. Social business venture is step by step turning into a vital component in the around the world conversation on volunteerism and urban responsibility. It interleaves the energy of a regular reason with industrial ethics and is remarkable and not quite the same as the present different sorts of entrepreneurship venture models because of its journey for mission related impact. The past couple of years has seen a striking and astonishing advancement in the field of social business venture and has enhanced consideration running all through all the various areas.

**Ramakrishna Allu [33]**, Due to the significant role of small and medium scale enterprises, they are recognized by the government for their contribution in country's economy. It includes the best methods to predict the Startups success. For analyzing random forest analyzing and Logistic regression classifiers are performed. Logistic Regression has considerable performance in the analysis of various data related to vendor. From the

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analysis done in the paper, Random forest classifiers have achieved higher performance in the social and business dataset.

**James Okrah [34]**, Most of the country's developing economy is dependent on Startups. Startups gives the greater contribution in the development of the country's economy. This paper has identifies the factors that are affecting the success of Startups. Two factors were considered for the dependent variable Innovation (R&D) and Financing, and factors like Government policies, internal market openness, internal market dynamic, are considered as independent variables with GDP per capita and employment as controlled variables.

**Andreas Kuckertz [35]**, gives idea about different things happens in Covid-19 pandemic. As we know COVID 19 disease is spread from November 2019, and from then the world sees large economic crisis and bad experience of pandemic. During lockdown many people become unemployed and many street workers quits their work to practicing the social distancing because this disease may not affect that much to younger people or who has best immune system but if virus enters in other family member who are aged or lowest immunity person then it became more dangerous. To improve economic conditions with following the rules to stop spread of virus, innovative ideas of Startups have been invented, and challenges facing in this scenario discussed in this paper. To starting small scale Startups first is study of needs, quantity, and availability of goods, financial support, permissions from government, security and practicing social distancing. There are many barriers to this like infrastructure, availability of workers after clearing above all things. As whole world see the climate change in lockdown, there are more than two cyclones, flood conditions happens. In this condition financial support from government is difficult. During this pandemic in Germany many people started their Startups finding available internal sources and calling external support from their network and accessing the social capital from the brokers with partnership. The government policies and organizational policies are mismatched the they are out from governments benefits as they reported that they change their needs only because they are cognizant to customers. Prior research on economic policy responses to crises is done in each and every country and their state on their economic conditions. They aim to strengthen the resilience of businesses, including Startups, and to support their individual crisis management actions. How international policies are reacted to pandemic is also discussed here. From international media reports in English identified that cover policy measures being called for or implemented to support SMEs

and Startups in 40 countries. Most popular policy measure announced or implemented by governments worldwide is to enhance a firm's financial capital by reducing loan interest rates or improving loan availability. From this pandemic everyone knows about how unpredictable life of human being and more than that how valuable is. In this research paper challenges, Startups options and policy options discussed in brief. Each and every challenge is discussed here. This part is idea to entrepreneurs and government to face crisis.

**Ellen Vanderhoven [36]**, In this paper Social Innovation Fund (SIF) is discussed which is invented in European countries. Social innovation - broadly understood as new forms of collaboration aimed at addressing societal needs and or achieving social change - has been increasingly promoted in public policy.

Research setting is partnerships between social economy organizations and research centers to test scale the new ideas and barriers and solutions to this barrier to come out of poverty and disadvantages of ideas. Social economy through the case study of Heavy Sound Community Interest Company is discussed here. This helps the use of capital funding and growing ideas. Because the long sustainability of Startups with public venture comes to ends. In this paper they give information about they collect 12 interviews on basis of i) project outcomes; ii) managing hybridity; iii) organizational growth; and iv) project sustainability and the future of Heavy Sound. Analysis of interviews and data collected from that is done this part. Solutions and taglines to this discussed here. SIF facilitating growth, too big is not better and the need for public sector support as results and discussions about this is discussed here. The case of Heavy Sound offers insight into the effects public venture capital can have on SEOs as they attempt to scale and sustain their interventions.

### 2.3 Closure

In literature survey researcher had done survey of different papers and reports on the Startups in India, Startups techniques, methods and different opportunities. The reviewed papers will support for questionnaire design, analysis and evaluation of study of Startups in selected metropolitan and non-metropolitan area in India. The literature review will help to motivate the Startups in India.

## Chapter 3

# RESEARCH DESIGN

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### 3.1 Introduction:

In the research work the problems faced by Startups are first evaluated and then analyzed with the help of questionnaire method. For the analysis of problems, the statistical tools were used. The research work has been conducted at Sangli, Satara, Kolhapur district, Maharashtra, India and Ahmedabad metropolitan city, Gujarat, India. Total of 55 Startups had participated in the survey. Survey was conducted during the initial stage of the research work, after a span of one month of research and again after one month.

Four prominent variables, failure of Startups, support of incubation center, financial analysis and strategic planning were selected for research and statistical analysis. ANOVA analysis, ROC analysis and Correlation analysis were tested statistically.

### 3.2 Data Collection

Primary method was followed for data collection. The questionnaire was designed to collect data from Startups and collected data was analyzed to indicate Startups problems. The data was collected by questionnaire method from Startups.



### 3.3 Questionnaire

The questionnaire is given below.

**ANALYSIS & EVALUATION OF INDIAN STARTUPS IN NON-METROPOLITAN AREAS AND SELECTED METROPOLITAN AREAS - AN UNTOLD STORY**

**Indian Startups in non-metropolitan areas and selected metropolitan areas owner Survey Questionnaire**

**Important Note:**

- All the information provided by the **incubants** shall be confidential and secured.
- The purpose of carrying research is to put ease to start up people.
- We as a Researcher are ready to hear; 'MAN KI BATT' from the incubants, taking care for their pains and perils.
- This research is sponsored by **Institute of Chartered Accountants of India**

Name of the :

Address:

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Email:

Website

Contact No.:

**Type of Company:**

- Partnership     PVT LTD     Proprietor     LLP  
Startups    Joint     Mico    Mini

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**Name of Partners / Directors, age, qualification:**

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**INFORMATION OF COMPANY:**

1. Brief about product / Service:

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2. Year of Establishment:

2017    2018    2019    2020

3. No. of employees:

1 to 10    10 to 50    50 to 100    More than 100

4. Employees Qualification:

CEO     CFO     Manager     Accountant  
 Workers     Sweeper     Other

5. Company Type:

Agri business    Chemical    Engineering    Construction  
Marketing    Service     IT    Production  
Biotechnology Engineering    Others Please Specify

6. Turnover of the Company INR lakhs 2019-20.

1 to 10 lakhs     11 to 50 lakhs     51 to 100 lakhs or 1 Cr.  
More than 1 crore

7. Your company is associated with

Mentor     Incubator     Accelerator  
 Government organization/Agency    Investor    None

8. Name of Mentor: -----

9. Name of Incubator: -----

10. Name of Accelerator: -----

## Research Design

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11. Name of Investor: -----
12. Name of Incubator: -----
13. Name of Accelerator: -----
14. Source of fund  
 Own     Loan     Government     Incubator     Others
15. Year of Funding:  
2017    2018    2019    2020
16. Amount of Funding.  
 1 to 10 lakhs     11 to 50 lakhs  
 51 to 100 lakhs    More than 1 crore
17. Any Government help received?  
 Yes     No     In process
18. Do you accept that external funding is necessary to succeed?  
YES     NO
19. Do you accept that Startups supported by incubation center will grow better than other Startups?  
YES     NO
20. Do you accept that incubates under Startups can't succeed without Government support?  
YES     NO
21. How it is important to have Chief Financial Officer (CFO)?  
 Beneficial                       No Idea                       Not Beneficial
22. Do you have Trademark/Copyright?  
 Yes     No     Planning
23. Source of information about start-up.  
 Google     YouTube     Magazine  
 Social media     Other

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24. Have you entered formal contract with suppliers, employees, etc?  
 Yes  No
25. Which type of scientific tools & techniques used for Plan Analysis purpose.  
 SWOT analysis  Issue analysis  Value analysis  
 Force field analysis  Gantt chart  Pareto analysis  
 Alternative analysis
26. Your new innovations, new ideas and new vision are accepted easily by society.  
 YES  NO
27. Problem solving mechanism established in the company?  
 YES  NO
28. Implementation, monitoring, resources deployment and evaluation schedules are mentioned in the plan  
 Strongly Disagree  Disagree  No Opinion  
 Agree  Strongly Agree
29. Timely preparation of strategic, perspective and annual plans emphasizing strategy of the company  
 Strongly Disagree  Disagree  No Opinion  
 Agree  Strongly Agree
30. Feedback, suggestions, problems and complaints are considered during planning.  
 Strongly Disagree  Disagree  No Opinion  
 Agree  Strongly Agree
31. Resources are deployed for implementation of plans.  
 Strongly Disagree  Disagree  No Opinion  
 Agree  Strongly Agree
32. Strategies such as communication, negotiation, collaboration, networking, developing core competence, value addition are used for

implementing the plans.

Strongly Disagree       Disagree       No Opinion

Agree       Strongly Agree

33. Recommendations and suggestions of evaluation of previous year performance is considered.

Strongly Disagree       Disagree       No Opinion

Agree       Strongly Agree

34. Priorities set among the Objectives & goals of the company.

Strongly Disagree       Disagree       No Opinion

Agree       Strongly Agree

35. Equipment's, electrical cables, fire extinguisher expiry date should be inspected on regular basis to prevent incidence in the organization.

Strongly Disagree       Disagree       No Opinion

Agree       Strongly Agree

36. Is your company having **Own** communication system & the methods?

YES       NO

37. The objectives of the company should be defined clearly

YES       NO

38. Have you installed CCTV camera for security purpose?

YES       NO

**HUMAN RESOURCE PLANNING**

1. Do have the Staffing Plans?

YES       NO       I don't know

2. Healthy climate and culture developed and maintained in company

Strongly Disagree       Disagree       No Opinion

Agree       Strongly Agree

3. Training & development activities of employees are planned?

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- Strongly Disagree       Disagree       No Opinion  
 Agree       Strongly Agree
4. Recruitment policies are implemented in company.  
 Strongly Disagree       Disagree       No Opinion  
 Agree       Strongly Agree
5. Does company give induction training to new employee.  
 Strongly Disagree       Disagree       No Opinion  
 Agree       Strongly Agree
6. Does company give skill training to new employee.  
 Strongly Disagree       Disagree       No Opinion  
 Agree       Strongly Agree
7. Does your company have adequate funding for training and development of its employee?  
 Adequate funding       Somewhat adequate funding  
 Fairly adequate funding       Funding rarely available  
 Not adequate at all
8. Do you have a written Promotion & Transfer policy?  
 YES       NO
9. Do you pay salary regularly?  
 YES       NO
10. Do you provide monthly salary slip?  
 YES       NO
11. Which type of incentive scheme implemented in the company?  
 Individual Incentive Schemes       Group Incentive Schemes  
 Both       No any type of Incentive Scheme
12. Which type of employee benefits implemented in the company?  
 Pension Plans       Group life insurance

- Casual Leave                       Medical Leave
- Earned Leave                       Maternity Leave
- Vacation                               Holidays
- Workers Compensation

13. Employees should be given safety education and training to make them safety conscious.

- Strongly Disagree       Disagree       No Opinion
- Agree                       Strongly Agree

14. Is the Preventive and curative measures help protect employee health against the occupational hazards?

- Strongly Disagree       Disagree       No Opinion
- Agree                       Strongly Agree

15. Is the Co-ordination among employees

- YES                       NO

16. Are you provide dress code to employee?

- YES                       NO

17. Employer communication are good with employee?

- YES                       NO

18. Have you implemented stress release policy?

- YES                       NO

19. Raw material easily available in the market?

- YES                       NO

**FINANCIAL MANAGEMENT:**

1. Have you done financial planning?

- YES                       NO

2. Have you done strategic planning for financial arrangement?

- YES                       NO

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3. Have you done any planning for financial crises?  
 YES                       NO
4. Have you done any arrangements for sudden breakdown situations such as covid19?  
 YES                       NO
5. Is your financial planning flexible?  
 YES                       NO
6. Are you file income tax in time?  
 YES                       NO
7. Are satisfied with your financial planning?  
 YES                       NO
8. Have you company audit reports regularly?  
 YES                       NO
9. Are you accept that Financial planning of Startups is week?  
 YES                       NO
10. Are you aware about accounting standards required for startups?  
 YES                       NO

**MARKETING:**

1. Have you done Market segment?  
 YES                       NO
2. What is your Market segment?  
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3. What is TAM (Total addressable market size)?  
-----
4. Have you compared other competitors in the market?  
 YES                       NO



5. Have faced any problems in the market?  
 YES                       NO
6. Which type of advertising policy implemented for sailing your product in the market?  

---
7. Are you maintain clearly supply demand within the market?  
 YES                       NO
8. Are you providing attractive packages for customer?  
 YES                       NO
9. Are your old customer purchase your products regularly?  
 YES                       NO
10. Any type of new scheme implementing for attracting new customer?  
 YES                       NO
11. Are your aware about current market policy?  
 YES                       NO

**RESEARCH AND DEVELOPMENT:**

1. Which type of quality evaluation is done?  
 Customer's satisfaction index  
 Identification of areas of weakness  
 Conduct of product audits                       Furnishing products  
 Introduction of innovations
2. Which type of decision you take for quality improvement?  
 Collection of feedback from customers  
 Collection of suggestion from customers  
 Analyzing & incorporating necessary modifications in production
3. Continuous control of cost  
 Identification & elimination of non – value added activities  
 Inventories

### **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

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- Waste of materials
- Manpower, Energy
- Strategies for resource mobilization leading to cost reduction
- 4. How much time have you spend on research?  
 1 to 3 Hrs. weekly       daily 1 to 3 Hrs.       Continuously       NO
- 5. Are you interested to export your final products?  
 YES       NO
- 6. Are you interested to expand your company?  
 YES       NO
- 7. Are your final products being ISO certified?  
 YES       NO
- 8. Have you planned continuous production management?  
 YES       NO
- 9. Have you made provisions for continuous electricity?  
 YES       NO
- 10. Have you maintained required spare parts?  
 YES       NO
- 11. Spare parts are available easily in the market?  
 YES       NO
- 12. Are you doing quality testing of products?  
 YES       NO

#### **ROLE OF CA (CHARTERED ACCOUNT)**

- 1. Are you consulting with CA?  
 YES       NO
- 2. Are you consulting with CA for account keeping?  
 YES       NO

3. Your CA helps for Tax planning?  
 YES  NO
4. Your CA helps for Tax compliance?  
 YES  NO
5. Your CA helps in checking financial viability of project?  
 YES  NO
6. Your CA helps formation of financial entity?  
 YES  NO
7. Your CA advising in raising funds and deciding terms of financial agreement?  
 YES  NO
8. Are you aware that CA helps for judgement of accounting standard?  
 YES  NO
9. Your CA helps revenue recognition?  
 YES  NO
10. Are you aware that CA helps for estimation of funds requirement i.e. not maximum not minimum at optimal level of start up?  
 YES  NO
11. Your CA helps for treatments of accounts and liabilities?  
 YES  NO
12. Are you think that there is requirement of separate accounting standards should be defined for Startups from ICAI?  
 YES  NO

**OTHER FACILITY: -**

1. Does company have renewable energy Resources manage efficiently?  
 YES  NO
2. Rain Water Harvesting facility available in the company?  
 YES  NO

### **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

3. Does company have provided purified drinking water?  
 YES                       NO
4. Is there Transportation Facility provided by company?  
 YES                       NO
5. Is there any Residential facility available for employee?  
 YES                       NO
6. Canteen Facility/ Subsidized food rate available for employees?  
 YES                       NO
7. Maintain Cleanness in the Campus  
 YES                       NO
8. Does company maintain Greenery in the Campus?  
 YES                       NO
9. Does company arrange employee family member's social program?  
 YES                       NO
10. Does company cover medical insurance for employees?  
 YES                       NO
11. Everybody is aware about firefighting instruments?  
 YES                       NO
12. Is there any type of facility for Earthquake emergency siren available in the company?  
 YES                       NO
13. Higher education loan facility provided to employees?  
 YES                       NO
14. Are the Safety measurements in the company?  
 YES                       NO
15. Identity cards are provided to the employees?  
 YES                       NO

## Research Design

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16. Is there Anti ragging committee being active in the company?  
 YES  NO
17. Does company provide Vehicle parking facility?  
 YES  NO
18. Is any type of Dress code for employees?  
 YES  NO
19. Company have security guards in the campus.  
 Yes  No
20. Is your company has certified by ISO?  
 YES  NO
21. Are your company planning for ISO certification?  
 YES  NO
22. Are you satisfied with government policies of Startups?  
 YES  NO
23. Are you satisfied with government rules and regulations about subsidies?  
 YES  NO
24. Have you given benefits to shareholders (if applicable)?  
 YES  NO
25. Any suggestions to grow Startups in India.
- 

Thanking you for sparing your valuable time.

PI  
CA Divyakant Shah,  
S. Awati,  
Mem 044793

Co-PI  
CA Pravina Oswal,  
Mem 116856

Co-PI  
Dr. Prof Jayashree  
RIT, Islampur

### 3.4 Statistical Analysis:

Hypothesis were analyzed statistically using statistical tools, Correlation testing, ANOVA testing and ROC testing.

#### 3.4.1 ANOVA testing:

One-way repeated measures of ANOVA testing were used. SPSS software was used to test the hypothesis.

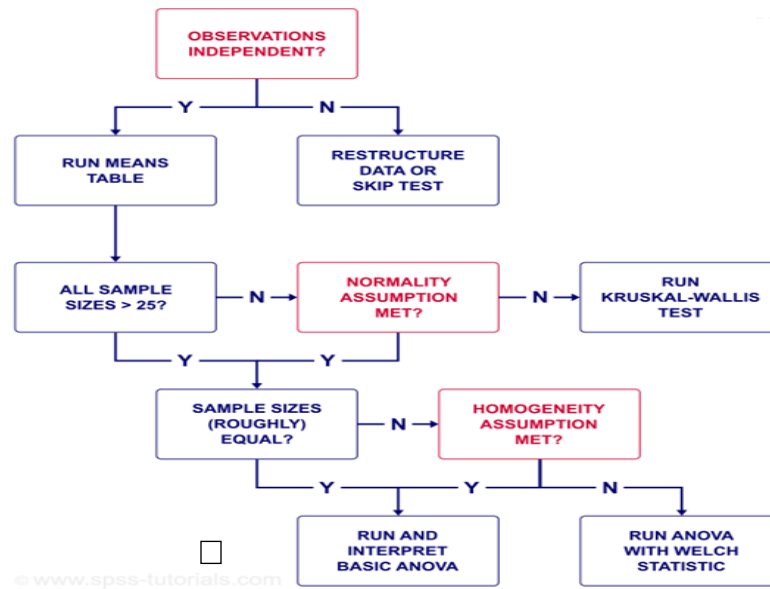


Fig 3.1 One-way ANOVA Flow chart

Figure 3.1 demonstrates the one-way ANOVA testing. For testing the one-way ANOVA formula are used. One-way ANOVA starts from independent observations and end at interpreting the basic ANOVA. The sample size plays major role in ANOVA testing. If sample size selected is greater than 25, then One-way ANOVA testing will be tested. If the One-way ANOVA testing will be not be tested then modification need to be done in alternative testing methods. The One-way ANOVA testing method is used for hypothesis testing.

#### 3.4.2 Correlation Testing:

The correlation tool was used to investigate the degree to which the one variable was related to another. It evaluates the relationship among and

causes among the variables. It provides the positive and correlation with variables. It shows the impact of every variable relation with other variable.

**Pearson correlation:** Pearson correlation tells the relation between two variables. This is known as the best method in statistics. This provides to find the linear relation between two variables.

### **3.4.3 Receiver Operating Characteristics (ROC) Curve testing:**

Receiver Operating Characteristics Curve testing was evaluated for variable harmful insect Killer and helpful to more yield with less cost. ROC curve fig 3.2 the factor was linked with positively or negatively.

### **3.5 Closure:**

The SPSS (Statistical Package for Social Sciences) software tools such as ANOVA, correlation and ROC curve is used for analysis. Chapter summarizes the design of Questionnaire.

## Chapter 4

# UNTOLD STORIES FROM NON-METROPOLITAN AREAS

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### 4.1 Incubator

Rajarambapu Institute of Technology (RIT) has taken a leadership role in Western Maharashtra for development of an Incubation Centre with the vision of transforming an engineering campus into Product Innovation Centre. As a part of Innovation Centre (RITIC), students work in interdisciplinary domains, understand customer needs and solve real problems. This process of product based learning is developed from first year itself and sustained through-out four years in entrepreneurial eco-system. They have refined and made a perfect Innovation model to help take start-up eco-system to market in the shortest possible time. Below are new initiatives at the institute;

1. Engineering Exploration – EEDP
2. Entrepreneurship Development Course (@CIIED)
3. Living Labs:
  - Build Autonomous Electric Vehicle -IRAEV
  - Industry Revolution 4.0 - IoT – IRIoT
4. RIT-TBI (NRiT) – Technology Business Incubator
5. Skill Development Center – RITSDC – Skill India
  - a. PMKVY-TI
  - b. New Budding Courses

#### **Achievements of RITIC:**

Under RITIC,

1. RIT-TBI is a Technology Business Incubator launched in January 2018 to build the start-up ECO-System in rural area. There are 7 start-ups incubated in RIT-TBI and 6 start-ups working in Virtual mode.



## **Untold Stories From Non-Metropolitan Areas**

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In future there is plan of expansion of this **Innovation Centre** which can occupy 30-40 start-ups. RIT-TBI has received funding of **Rs.5 Cr. from Maharashtra State Innovation Society (MSInS)**

2. MSME GOI has given approval for Business Incubator for MSME ideas funded up to 15 Lakhs per Idea.
3. RITIC has received 16.5Lakh grants for SC/ST Alumni student's start-ups through SAMRIDDHI Scheme. Under this scheme 7 SC/ST start-ups received funding of Rs.2 Lakh each.
4. CIIED: RITIC has initiated setting up "**Centre for Innovation, Incubation and Entrepreneurship Development**" CIIED.CIIED provides an ecosystem for early stage techno-start-ups, which contributes to social and strategic sectors besides being responsible for employments and economic value. This mechanism has helped our students, faculty and community to turn their entrepreneurial vision onto reality.

Under CIIED following cells are initiated and all cells are collaboratively working with Incubation Centre;

1. E-Cell – for students
2. SPACE club
3. ED Cell.

## **4.2 Accelerator**

### **Name of Accelerator: OpEx Accelerator Private Limited**

OpEx Accelerator Private Limited is founded in 2016 by Mr. Sachin Kumbhoje Co-Founder & CEO and Anjori Parandekar Co-Founder & Director. They provide diversified StartUp & Skill Development services to Institutions, Industries, Emerging StartUp's and Students. They are the First StartUp Accelerator in Western Maharashtra and are based at Kolhapur. They promotes orients, mentors and supports Young StartUps of Tier II and Tier III regions of India. The objective of their venture is to meet the 3Es challenge, Employability, Entrepreneurship and Employment through skilling at scale with speed, standard (quality) and sustainability. Objective of Their organization is to promote the youth for entrepreneurship as well as employability enhancement which is the ultimate solution for Indian Unemployment Crisis.

## **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

They support student Startups and other Startups irrespective of the business sector in Tier II and Tier III region, through organizing StartUp Events, Mentoring, handholding, funding assistance, business management, prototype generation, launching and scale-up of the business.

OpEx is in the business of making graduates Industry-ready by improving their employability through unique personalized blended learning model. Through Skill Development division, it offers diversified training services to Institutions and Industries with its signature programs like 'Campus to Corporate, Continuous Improvement Program, STEP-StartUp & Entrepreneurship Program, Business & Corporate Gateway, Industry Awareness Program, Ace the Interview, Advanced Bridge Course, etc'.

Today, OpEx focuses on major directions for the Skill Development Framework, including increasing the capacity, synergy among existing academia. It seeks to address the lacunae in Entrepreneurship by steps like streamlining entrepreneurship in the education system, inventing business through mentorship, fostering social entrepreneurship, promoting inclusivity, improving the ease of doing business and providing access to the Global market.

### **4.3 Startups:**

#### **4.3.1 Name of Startups: Sarthi Services:**

Sarthi app provides easiest and hassle free commuter booking platform where everyone can book their rides. The goal of the organization is to provide pollution free transportation using electric rickshaw and vehicles. Sarthi services is basically Transportation which provides transportation from one place to another place at lowest cost along with comfort and on time.

The idea came into picture while way back in 2018 Aniruddha Manolikar was in Bangalore for training purpose he get thought over electric vehicle booking facility while travelling.

The idea was changed in 2019 when they come across the solution of mobile application platform for booking purpose, the basic binding block is like they connected cab owner and commuter with the help of internet, telephone and mobile app. Sarthi Services, more popularly known as Sarthi, is just like any other marketplaces online, but more specifically into providing Electric auto services. Sarthi, which started as an online electric auto aggregator in Sangli Miraj and Kupwad, now expanding in Kolhapur city, and is also known to be one of the fastest growing businesses in Maharashtra.

### **4.3.2 Name of Startups: Canestar Agro Foods India Pvt. Ltd:**

“Canestar Agro Foods India Pvt. Ltd.” is innovative agriculture Startups with registered brand name of “CANESTAR” and tag line is “ADD MORE STARS TO YOUR HEALTH”. Agripreneur Tushar Kamat is founder director also recognize as CANE MAN & Woman Entrepreneur Vidhima Kamat is co-founder director of who is very dynamic & actively works for community problem solving purpose in agriculture field by giving trainings to the farmers for their skill development and update their technology also promote woman entrepreneurship.

CANESTAR Startups having certification like DIPPT by government of India. ISO 9001:22000, PGS Organic & having own Import Export code. Membership of organizations like world trade center, APEDA, NAFARI, CII, KCCI, Netra-RIT & Rotary club of Kolhapur. BNI & SCGT gives lot of business through networking Platform. There is lot of potential in agriculture sector& agripreneurship is next big thing in future. CANESTAR carries prestigious goodwill in the wide spread Domestic and International market.

Kolhapur City in Maharashtra is one of the largest productions of Jaggery in India. Clients trust them for good quality jaggery which is free from impurities & 100% organic. Jaggery has numerous uses and benefits from cooking delicious food to medicinal benefits. Their Jaggery is hygienically packed and delivered. They first focused on International market through vibrant goa Expo & summit associated with Dr. Jagat Shah (Global Network International Trade Advisory) who is their mentor. They were get selected in international roadshow of Middle East countries (Oman, Kuwait, UAE and Qatar) & present our business in chamber of commerce & Indian Embassy. They got very good response from them and their international journey is started. They are targeting domestic market like Gujrat, Rajasthan, Maharashtra, Karnataka & Goa because these are sweet consuming states. They participated in well-known Exhibitions like World food India, Delhi, Vibrant Goa, Panaji, Global Konkan, Parle Food Festival, Annapurna, franchise India, Mumbai. Krishi Exhibition, Pune and local exhibitions in Kolhapur city. They got lots of awards & recognition in International as well as domestic market also.

### **4.3.3 Name of Startups: Canestar Agro Foods India Pvt. Ltd:**

“Canestar Agro Foods India Pvt. Ltd.” is innovative agriculture Startups with registered brand name of “**CANESTAR**” and tag line is “**ADD MORE STARS TO YOUR HEALTH**”. Agripreneur Tushar Kamat is founder director also recognize as **CANE MAN** & Woman Entrepreneur Vidhima Kamat is co-founder director of who is very dynamic & actively works for community problem solving purpose in agriculture field by giving trainings to the farmers for their skill development and update their technology also promote woman entrepreneurship.

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#### 4.3.4 Sanghavi TransTrade Private Limited:

**TransTrade'** is a revolutionary portal where transport, trade and technology is brought together to make road transport and trade industry more systematized. **TransTrade** is an aggregator model where transportation rates are compared and matched with the consignor rate. With high end software and technology, TransTrade offers its customers, agents and traders a common platform for all their transportation needs with end to end solution. They Started business in Dec 2016 in Kolhapur and are having 6 Directors. With dedicated team of 16 employees they can achieve turnover of 200M over the period of 4 years. It is bootstrapped and no funding is raised yet. They are working in much unorganized sector of goods transport. They provide platform for businesses, transport agents and transport vehicle owner. They integrated agents also in the system and able to earn profit in this year. They provide services in Kolhapur, Sangli, Satara and Belgam districts and supply goods in different states including Gujrat, Delhi etc.

Chapter 5

# UNTOLD STORIES FROM METROPOLITAN AREAS AND OUR SUGGESTIONS

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## 5.1 Ajay News:

### 5.1.1 Nature of activities

Recognised news agency by press trust of India, Authorised news broadcast, Web series production, Advertisement production house

### 5.1.2 Key Points

- 1] Their sufferings are painful. They do not have own funds. Production house requires huge funds. They develop their own strategy. They have made joint venture between artists, producers, directors. The sharing ratio have been worked out. Each member in the team is the owner
- 2] It is something like a barter system. For example, artists do not take their remuneration, similarly director would not charge his professional fees, when the overall production is ready, they all would share accordingly, means only the fruits are shared.
- 3] Everybody in the system is a contributory. It is cost effective and every player takes prime privilege that he is the part of the system.
- 4] When the costings are affordable, the advertisement tariff charged to the client are quite low and accordingly more advertisement can be brought in to the domain.
- 5] It is a private news agency, more trust by the viewers for authenticity of the news.

## **5.2 Jameck India services Pvt ltd:**

### **5.2.1 Nature of activities**

Innovation on preservation of food technology, Outdoor catering services, Canteen management

### **5.2.2 Key Points**

- 1] It is not surprising that Mr. Janmay Choksi wins the award of 'MOST ADMIRERED FOOD PROFESSIONAL AWARDS' in his own tiny restaurant.
- 2] Taking inspiration from it he comes to know about preservation of cooked food. It is a German technology. The innovation is such that life cycle of cooked food can be extended up to one year.
- 3] His pain was to create market for preserved food, means cooked food can be in eatable condition. He can able to establish utility to Railways, militaries, travellers' functional users.
- 4.] For that MR. chokshi entered in to market making arrangement and able to succeed.

## **5.3 Metro line worldwide India Private Ltd.:**

### **5.3.1 Nature of activities**

Hardware manufacturing activities & exports, Machinery manufacturing parts  
Coated copper wire

### **5.3.2 Key Points:**

- 1] How multiple industrial parks can be developed with engineering skill is the main motto of Mr. Vishal Chaudhary.
- 2] He has studied various Chinese products, its utilities and needs. Then he started to manufacture the same in India with the same utility character.
- 3] Funding was the main difficulty. With limited funding he started activity of manufacturing coated copper wire. Being a good market, rotation of funds was fast.
- 4] Now he is focussing on preparation of industrial park.

## **5.4 Varenye foundation:**

### **5.4.1 Nature of activities**

Organisation providing opportunity to self-help group, Human is the key factor to take care of their health

### **5.4.2 Key Points:**

- 1] Being NGO its strength of working depends upon availability of funds.
- 2] At present, there is shortage of staff requirement, lack of technical knowledge in existing staff.
- 3] Limitation is time bound administration along with fund crunch.
- 4] Appreciable point is “profit centre” is avoided.
- 5] They should bring support of Expert people and professional management.
- 6] Any productive projects can be taken care of where government machinery is not capable to handle this organisation can take the help of NGO Admin.

## **5.5 Chhokhavatia & Associates:**

### **5.5.1 Nature of activities -**

Water treatment plant, Innovation in pollution control

### **5.5.2 Key Points:**

- 1] ‘IF YOU ARE SLOW START EARLY’ is the theme of Mr. Vimal Chhokhavatia. He is a pollution engineer and was a dean of pollution dept. L.D. ENGINEERING COLLEGE.
- 2] With his proven knowledge on pollution subject, he has tried his own theory of controlling water pollution. It is his own innovation.
- 3] In the early days people were hesitate to accept the technology.
- 4] With the phases of time he can able to convince the pollution control board about the success of his own developed technology.
- 5] Selection of staff, timely availability of finance, cost effective skill are



the major limitation.

## **Public health foundation of India:**

### **5.6.1 Nature of activities**

Non-profit organisation under section 8 of the , aim is to promote health deployment.

### **5.6.2 Key Points:**

- 1] It is a DELHI base NGO.
- 2] It is working on health sectors.
- 3] By innovation, they have developed one health check-up device, which is very much useful in checking at remote places, it will check up viz. temperature of the body, diabetes measure, malaria treatment and such other treatment of disease.
- 4] It is with help of mobile app, the device shall act as a laboratory, generating diagnosis and assessment of doctors are possible virtually, worth recommending phase at covid-19.

## **5.7 Profic enterprises:**

### **5.7.1 Nature of activities**

Trading activity in multiple business, wholesale and retails of machines parts

### **5.7.2 Key Points -**

- 1] They are merely a trader, dealing in machine manufacturing parts
- 2] They face the limitation of funding, marketing, competition with Chinese market
- 3] Their innovation lies at zero inventory, they are holding stock of various parts virtually only mere reflection of stocks. To be clear with, when they receive orders directly from consumer, then and then they will purchase and deliver to the clients.
- 4] Proper marketing is required to fetch the demand.

## **5.8 Gujrat university start up and entrepreneurship council:**

Initially funded by university backed by Nidhi- TBI grant alongside other state government and non-government enterprise incorporated u/s 8 non-profit making organisation.

### **5.8.1 Nature of activities**

Nodal institute under industrial Commissioner Government of Gujrat & Nidhi fund under district government of India Under university council government of Gujrat, Funds are given of innovation.

### **5.8.2 Key Points -**

- 1] It is the base platform for Startups people, providing every help to the Startups incubates.
- 2] Being a non-profit making organization its prime function is to promote start up.
- 3] This body shall focus on three factors viz.
  - {a} there should be new vision to test the business.
  - {b} this vision may be assisted by the university financially as well as technologically
  - {c} this incubates shall come to play in the economy and shall contribute something to country
- 4] It is worth interesting to note that it is working 24 hours -Except for covid-19 period
- 5] Funds requirement are taken care by NIDHI FUNDS by central government and state government.

## **5.9 Dynaweled engineering Pvt Ltd.**

### **5.9.1 Nature of activities**

Engineering Specified in welding technology

### **5.9.2 Key Points -**

- 1] This start up is working on engineering skill.

## **Untold Stories From Metropolitan Areas And Our Suggestions Untold**

- 2] Their innovation lies in adopting different technology, in getting pore generating units
- 3] BEST OUT OF WASTE shall be the main theme, while preparing for new power plant they shall use the captive parts from old discarded plants -best costing management.
- 4] There shall be requirement of trained staff, which is difficult always.
- 5] Huge capital base project, is the key factor along with marketing requirements.

### **5.10 Youth development**

#### **5.10.1 Nature of activities**

Youth development pharmaceuticals association is organisation pharmaceuticals manufacturing MSME industrial park supports service & facility start up supports under the make in India & Atma Nirbhar Bharat. YDPA Organization is registered and established by experienced experts of Pharmaceutical Industry under section 8 of Act 2013 as a no-profit – no loss-making association, to serve the ‘Pharmacist Youth Developments’. Youth Pharmacists play a major role in the Healthcare sector. They are trying to gather youth Pharmacists under an umbrella of YDPA for their bright future and to make them successful Industrialists, they are doing adequate attempts by planning Pharmaceutical Manufacturing Units, Training, and Development for their Industrial growth

#### **5.10.2 Key Points -**

- 1] Really proven platforms to provide every help to Startups people in pharma base business.
- 2] The logic behind this is to provide industry need. To put it differently, it shall help the pharma student to have their own manufacturing unit.
- 3] One common infrastructure is provided by the ‘YDPA’, in the form of manufacturing support unit, providing help for marketing of the produced units, every help to start new pharma business like license, registration formalities, guidance regarding how to obtain MSME benefits and also help for GST submission return and also for income tax return.

## **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

- 4] Funds management offered by the team of professional people like chartered accountants.
- 5] Every help by 'YDPA' in Risk Management, staffing, marketing, in export import business.

### **5.11 TDAUX**

#### **5.11.1 Nature of activities**

TDAUX is SaaS based 'smart Business Grid' that addresses the pain points of key B2B areas such as

1. Procurement & Distribution (Purchase & Sales)
2. Supply Chain/Partner Network
3. Communication & Collaboration
4. Business Networking

At TDAUX our vision is to provide a 360° view that acts as a single point of interaction between organizations, to facilitate their end-to-end business needs.

TDAUX acts as an open business platform, where one can not only do procurement and conduct sales; but also can manage their entire business network and expand it, just like people do it for their social/professional network on Facebook and LinkedIn

#### **5.11.2 Key Points**

- 1 "TADDUX" IS a brand name in SAS [service as a software] industry, it offers B 2 B platform.
2. By accepting challenges, they are moving on pre decided path...where every business need is to be taken care.
3. With own funding they are to do.... nobody was ready to channelize fund to the books of accounts
4. TIME is the crucial factor; it is time bound benchmark with limitation of funding.
5. They are now on equal footings with world class start up business

## Chapter 6

# DATA ANALYSIS AND INTERPRETATION

---

## 6.1 Introduction

In this chapter data collected from Startups were analysed. The data is collected through questionnaires, interviews, field investigation and by observation method. The survey has been carried at Sangli, Satara, Kolhapur district, Maharashtra, India and Ahmedabad metropolitan city, Gujarat, India. Total of 55 Startups had analysed during the research work. ANOVA analysis, Correlation analysis, Chi-square test method and ROC curve were used to test hypothesis and objectives. All the collected data of questions were tabulated.

## 6.2 Hypothesis Testing

One-way ANOVA testing was used to test the hypothesis. One-way ANOVA testing was used because it is more suitable for one group i.e., in research work Startups.

### 6.2.1 Hypothesis Testing: In Non-metropolitan area the failure of Startups is 80%

**Table 6.1: Hypothesis Testing: In Non-metropolitan area the failure of Startups is 80%**

		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
failure1	Between Groups	0.004	1	0.004	0.030	0.862
	Within Groups	6.832	53	0.129		
	Total	6.836	54			
failure2	Between Groups	.004	1	0.004	0.030	0.862
	Within Groups	6.832	53	0.129		

### Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...

	Total	6.836	54			
failure3	Between Groups	0.000	1	0.000	0.000	0.984
	Within Groups	6.109	53	0.115		
	Total	6.109	54			

The Sig. value associated with F ratio as given in table 6.1 is greater than the  $\alpha$  level (0.05) i.e., 0.862 and 0.984, so fail to reject the null hypothesis and accept the following hypothesis,

**Hypothesis: In Non-metropolitan area the failure of Startups is 80%.**

The meaning of hypothesis acceptance is only 20% Startups succeed and 80% Startups fail in Sangli, Satara and Kolhapur District.

### 6.2.2 Hypothesis Testing: In metropolitan area the failure of Startups is 70%

**Table 6.2: Hypothesis Testing: In metropolitan area the failure of Startups is 70%**

		Sum of Squares	df	Mean Square	F	Sig.
failure1	Between Groups	0.288	1	0.288	1.504	0.225
	Within Groups	10.148	53	0.191		
	Total	10.436	54			
failure2	Between Groups	.433	1	0.433	2.416	0.126
	Within Groups	9.495	53	0.179		
	Total	9.927	54			
failure3	Between Groups	0.036	1	0.036	0.219	0.641
	Within Groups	8.764	53	0.165		
	Total	8.800	54			

The Sig. value associated with F ratio given in table 6.2 is greater than the  $\alpha$  level (0.05) i.e., 0.225, 0.126, 0.641, so fail to reject the null hypothesis and accept the following hypothesis,

### 6.2.3 Hypothesis: In metropolitan area the failure of Startups is 70%.

The interpretation of hypothesis acceptance is only 30% Startups succeed and 70% Startups fail in selected metropolitan area Ahmedabad.

### 6.2.4 Hypothesis Testing: Startups supported by incubation center will grow better than other Startups:

Table 6.3: Hypothesis Testing: Startups supported by incubation center will grow better than other Startups

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.550	1	0.550	4.178	0.046
Within Groups	6.977	53	0.132		
Total	7.527	54			

The Sig. value associated with F ratio as indicated in table 6.3 is less than the  $\alpha$  level (0.05) i.e., 0.046 so reject the null hypothesis. The following hypothesis has rejected and accepted the alternative hypothesis.

**Hypothesis: Startups supported by incubation center will grow better than other Startups.**

### 6.2.5 Hypothesis Testing: Financial analysis of Startups is weak:

Table 6.4: Hypothesis Testing: Financial analysis of Startups is weak

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.004	1	0.004	0.016	0.900
Within Groups	13.378	53	0.252		
Total	13.382	54			

The Sig. value associated with F ratio as indicated in table 6.4 is greater than the  $\alpha$  level (0.05) i.e., 0.900 so fail to reject the null hypothesis and accept the following hypothesis,

Hypothesis: Financial analysis of Startups is weak.

### 6.2.6 Hypothesis Testing: Startups are not following the strategic planning:

Table 6.5: Hypothesis Testing: Startups are not following the strategic planning

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.343	1	0.343	2.009	0.162
Within Groups	9.039	53	0.171		
Total	9.382	54			

The Sig. value associated with F ratio as given in table 6.5 is greater than the  $\alpha$  level (0.05) i.e., 0.162 so fail to reject the null hypothesis and accept the following hypothesis,

Hypothesis: Startups are not following the strategic planning.

### 6.2.7 Hypothesis Testing: Incubates under Startups, can't succeed without Government support:

Table 6.6: Hypothesis Testing: Incubates under Startups, can't succeed without Government support.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.051	1	0.051	0.450	0.505
Within Groups	6.058	53	0.114		
Total	6.109	54			

The Sig. value associated with F ratio as shown in table 6.6 greater than the  $\alpha$  level (0.05) i.e., 0.505, so fail to reject the null hypothesis and accept the following hypothesis,

Hypothesis: Incubates under Startups, can't succeed without Government support.



### 6.2.8 Hypothesis Testing: External funding is necessary to succeed:

Table 6.7: Hypothesis Testing: External funding is necessary to succeed

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.015	1	0.015	0.065	0.799
Within Groups	12.421	53	0.234		
Total	12.436	54			

The Sig. value associated with F ratio as shown in table 6.7 is greater than the  $\alpha$  level (0.05) i.e., 0.799 so fail to reject the null hypothesis and accept null hypothesis given below,

**Hypothesis: External funding is necessary to succeed.**

### 6.2.9 Hypothesis Testing: New innovations, new ideas and new vision are not accepted easily by society:

Table 6.8: Hypothesis Testing: New innovations, new ideas and new vision are not accepted easily by society.

		Sum of Squares	df	Mean Square	F	Sig.
new innovations	Between Groups	0.089	1	0.089	0.509	0.479
	Within Groups	9.293	53	0.175		
	Total	9.382	54			
new idea	Between Groups	0.104	1	0.104	0.490	0.487
	Within Groups	11.241	53	0.212		
	Total	11.345	54			
new vision	Between Groups	0.033	1	0.033	0.175	0.677
	Within Groups	9.895	53	0.187		
	Total	9.927	54			

## Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...

The Sig. value associated with F ratio specified in table 6.8 is greater than the  $\alpha$  level (0.05) i.e., 0.479, 0.487 and 0.677, so fail to reject the null hypothesis and accept the null hypothesis,

**Hypothesis: New innovations, new ideas and new vision are not accepted easily by society.**

### 6.2.10 Hypothesis Testing: New innovations, new ideas and new vision are not accepted easily by society

**Table 6.9: Hypothesis Testing: There is requirement that ICAI should define separate accounting standards for Startups.**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.023	1	0.023	0.114	0.737
Within Groups	10.886	53	0.205		
Total	10.909	54			

The Sig. value associated with F ratio specified in table 6.9 is greater than the  $\alpha$  level (0.05) i.e., 0.737, so fail to reject the null hypothesis and accept the following null hypothesis,

**Hypothesis: There is requirement that ICAI should define separate accounting standards for Startups.**

## 6.3. Correlation Testing:

### 6.3.1 Correlation Testing: The failure of start-ups Correlations with variables

**Table 6.10: Correlation Testing: The failure of start-ups Correlations with variables**

		financial	Strategic-planning	Flexibal_Accounting	Innovations	SWOT analyses	Funding	failure
Financial	Pearson Correlation	1	0-.104	0.016	0.056	-0.167	-0.134	-0.162
	Sig. (1-tailed)		0.225	0.454	0.343	0.112	0.165	0.119
	N	55	55	55	55	55	55	55
strategic_planning	Pearson Correlation	-.104	1	-0.271*	-0.109	-0.098	0.034	0.029

## Data Analysis and Interpretation

	Sig. (1-tailed)	.225		0.023	0.214	0.239	0.403	0.417
	N	55	55	55	55	55	55	55
Flexibal_Acc ounting	Pearson Correlation	.016	-0.271*	1	0.155	-0.005	-0.034	0.087
	Sig. (1-tailed)	.454	0.023		0.129	0.487	0.403	0.264
	N	55	55	55	55	55	55	55
Innovations	Pearson Correlation	0.056	-0.109	0.155	1	-0.029	0.191	0.286*
	Sig. (1-tailed)	0.343	0.214	0.129		0.416	0.081	0.017
	N	55	55	55	55	55	55	55
SWOT_anal ysis	Pearson Correlation	-0.167	-0.098	-0.005	-0.029	1	0.134	0.098
	Sig. (1-tailed)	0.112	0.239	0.487	0.416		0.165	0.239
	N	55	55	55	55	55	55	55
Funding	Pearson Correlation	-0.134	0.034	-0.034	0.191	0.134	1	0.202
	Sig. (1-tailed)	0.165	0.403	0.403	0.081	0.165		0.070
	N	55	55	55	55	55	55	55
Failure	Pearson Correlation	-0.162	0.029	0.087	0.286*	0.098	0.202	1
	Sig. (1-tailed)	0.119	0.417	0.264	0.017	0.239	0.070	
	N	55	55	55	55	55	55	55

Note: \*. Correlation is significant at the 0.05 level (1-tailed).

Table 6.10 showed the positive correlation with failure of Startups. In the table 6.10 the majority is positive correlation i.e., if one variable increases the other also increases. From the table it was proved that the failure of start-ups is correlated with financial planning, strategic planning, innovations, flexible accounting, funding and SWOT analysis. The Pearson correlation is tested and proved statically. If strategic planning decrease then financial planning decrease. If innovations decrease then funding decrease. If SWOT analysis decreases then Startups failure decrease. If these variables increase, then Startups succeed.

### 6.3.2 Correlation Testing: Stakeholder of start-up ecosystem correlation

Table 6.11: Correlation Testing: Stakeholder of start-up ecosystem correlation

		incubators	accelerators	Government bodies	investors	corporates	mentors
incubators	Pearson Correlation	1	0.063	-0.203	-.092	0.106	0.003
	Sig. (1-tailed)		0.324	0.069	.252	.220	0.492
	N	55	55	55	55	55	55
accelerators	Pearson Correlation	.063	1	-0.196	-.218	-0.106	0.155
	Sig. (1-tailed)	.324		0.076	.055	0.220	0.130
	N	55	55	55	55	55	55
Government bodies	Pearson Correlation	-.203	-0.196	1	0.299*	-.106	-0.003
	Sig. (1-tailed)	.069	0.076		0.013	.220	0.492
	N	55	55	55	55	55	55
Investors	Pearson Correlation	-0.092	-0.218	0.299*	1	0.162	0.009
	Sig. (1-tailed)	0.252	0.055	0.013		0.118	0.474
	N	55	55	55	55	55	55
corporates	Pearson Correlation	0.106	-0.106	-0.106	0.162	1	0.084
	Sig. (1-tailed)	.220	.220	.220	0.118		0.271
	N	55	55	55	55	55	55
Mentors	Pearson Correlation	.003	.155	-.003	.009	.084	1
	Sig. (1-tailed)	.492	.130	.492	.474	.271	
	N	55	55	55	55	55	55

a. Cannot be computed because at least one of the variables is constant.

Table 6.11 specified the positive correlation with other Startups stakeholders. In the table 6.11 the majority is positive correlation i.e., if one variable increases the other also increases. From the table it was proved that every stakeholder is important for Startups. The Pearson correlation is tested and proved statically. Mentors, investors, incubators, accelerators, corporates

and government bodies have positive relation with each other in Indian Startups.

## 6.4 Chi-Square Test:

**Table 6.12: metropolitan**

	Observed N	Expected N	Residual
0	5	27.5	-22.5
1	50	27.5	22.5
Total	55		

**Table 6.13: nonmetropolitan**

	Observed N	Expected N	Residual
0	9	27.5	-18.5
1	46	27.5	18.5
Total	55		

**Table 6.14 Chi-Square Test Statistics**

	metropolitan	non_metropolitan
Chi-Square	36.818 <sup>a</sup>	24.891 <sup>a</sup>
Df	1	1
Asymp. Sig.	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5.

## 6.5 ROC Curve Test:

### 6.5.1 ROC Curve Testing: Evaluation of the strategic plan (operations vision mission and funding opportunities of ) of Startups:

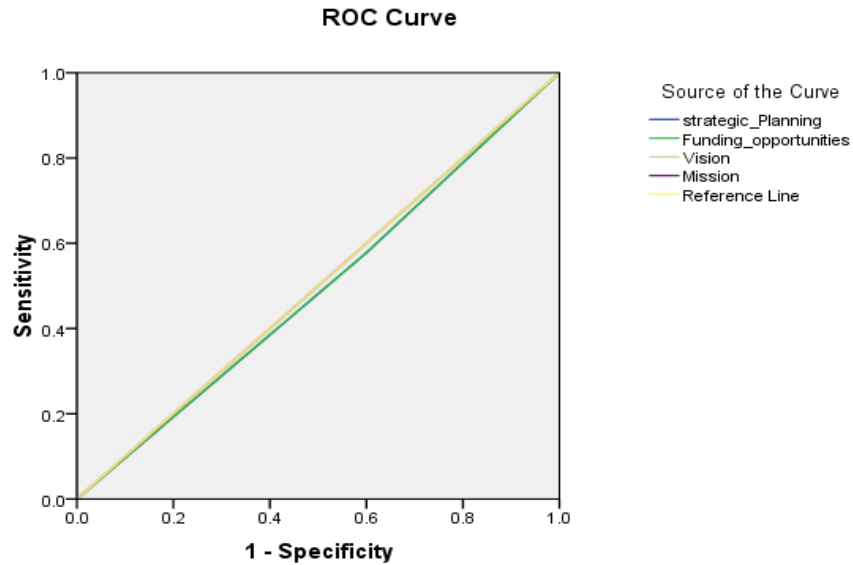
**Table 6.15 Case Processing Summary of ROC Curve1 testing**

Startups	Valid N (listwise)
Positive <sup>a</sup>	45
Negative	10

Larger values of the test result variable(s) indicate stronger evidence for a positive actual state. The positive actual state is 1.00.

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The table 6.15 showed that there is 45 Startups have positive relation and 10 have negative relation.



**Fig. 6.1: ROC curve testing1**

Fig. 6.1 shows the decision of Startups. The ROC curve intersects; therefore, all the factors are linked with each other. The curve shows the positive and negative relation with Startups. In fig. 6.1 middle line gives the proper cut off of Startups. The 95% confidence level is used.

**Table 6.16 Area Under the ROC Curve1**

Test Result Variable(s)	Area	Std. Error <sup>a</sup>	Asymptotic Sig. <sup>b</sup>	Asymptotic 95% Confidence Interval	
				Lower Bound	Upper Bound
strategic Planning	0.489	0.102	0.913	0.290	0.688
Funding opportunities	0.489	0.102	0.913	0.290	0.688
Vision	0.500	0.102	1.000	0.300	0.700
Mission	0.500	0.102	1.000	0.300	0.700

## Data Analysis and Interpretation

The test result variable(s) shown in table 6.16, strategic Planning, Funding opportunities, Vision, Mission has at least one tie between the positive actual state group and the negative actual state group. Statistics may be biased. Under the nonparametric assumption, Null hypothesis: true area = 0.5, therefore statistics are biased.

**Table 6.17 Coordinates of the Curve1**

Test Result Variable(s)	Positive if Greater Than or Equal To <sup>a</sup>	Sensitivity	1-Specificity
strategic Planning	-1.0000	1.000	1.000
	0.5000	0.578	0.600
	2.0000	0.000	0.000
Funding opportunities	-1.0000	1.000	1.000
	0.5000	0.578	0.600
	2.0000	0.000	0.000
Vision	0.0000	1.000	1.000
	2.0000	0.000	0.000
Mission	0.0000	1.000	1.000
	2.0000	0.000	0.000

The test result variable(s): strategic Planning, Funding opportunities, Vision, Mission has at least one tie between the positive actual state group and the negative actual state group and shown in table 6.17. The smallest cut-off value is the minimum observed test value minus 1, and the largest cut-off value is the maximum observed test value plus 1. All the other cut-off values are the averages of two consecutive ordered observed test values. ROC curve analysis indicates that there are variables linked with strategic planning, vision, mission and funding opportunities. But there are few lacunas in strategic planning to succeed the Startups and that should be analysed and cleared to Startups entrepreneurs.

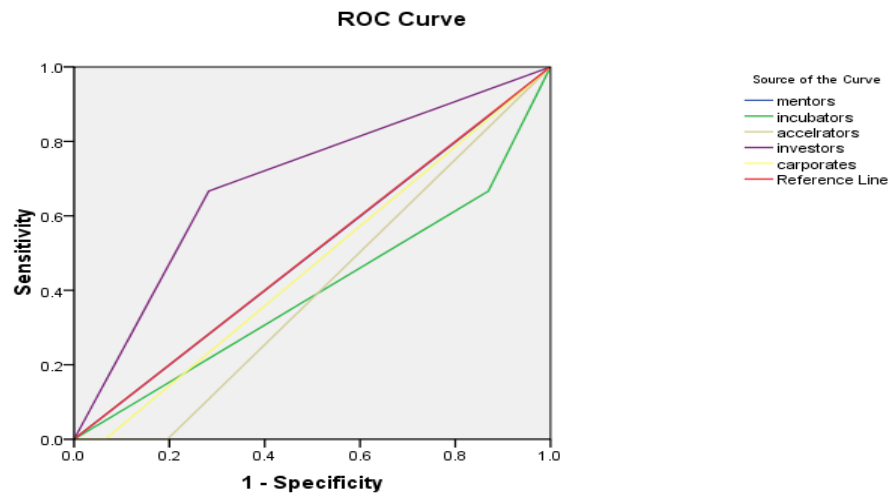
### 6.5.2 ROC Curve Testing: Evaluation the role played by other stakeholder of start-up ecosystem i.e., Mentors, Investors, Accelerators, Corporates, Incubators and Government bodies in sustainability of start-ups:

Table 6.18 Case Processing Summary of ROC curve 2

Government bodies	Valid N (listwise)
Positive <sup>a</sup>	9
Negative	46

Larger values of the test result variable(s) indicate stronger evidence for a positive actual state.

In this case the 9 are positive and 46 are negative.



Diagonal segments are produced by ties.

Fig. 6.2: ROC curve testing2



**Table 6.19 Area Under the Curve of ROC curve 2**

Test Result Variable(s)	Area	Std. Error <sup>a</sup>	Asymptotic Sig. <sup>b</sup>	Asymptotic 95% Confidence Interval	
				Lower Bound	Upper Bound
Mentors	0.499	0.106	0.991	0.290	0.707
Incubators	0.399	0.111	0.339	0.180	0.617
Accelerators	0.402	0.092	0.357	0.222	0.583
Investors	0.692	0.099	0.070	0.497	0.887
Corporates	0.467	0.102	0.759	0.268	0.666

The test result variable(s): mentors, incubators, accelerators, investors, corporates has at least one tie between the positive actual state group and the negative actual state group shown in table 6.19. Under the nonparametric assumption and Null hypothesis: true area = 0.5, the Statistics has biased.

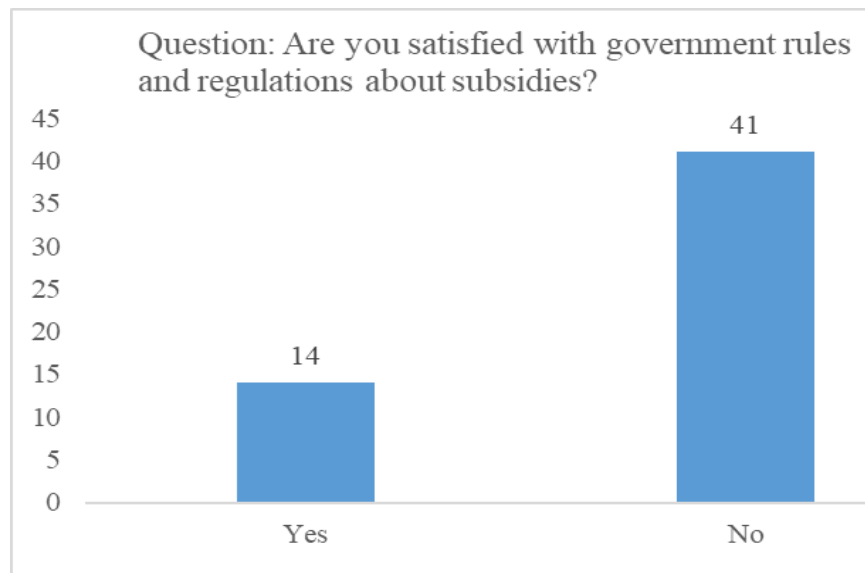
**Table 6.20 Coordinates of the Curve2**

Test Result Variable(s)	Positive if Greater Than or Equal To <sup>a</sup>	Sensitivity	1 - Specificity
Mentors	-1.0000	1.000	1.000
	0.5000	0.889	0.891
	2.0000	0.000	0.000
Incubators	-1.0000	1.000	1.000
	0.5000	0.667	0.870
	2.0000	0.000	0.000
accelerators	-1.0000	1.000	1.000
	0.5000	0.000	0.196
	2.0000	0.000	0.000
Investors	-1.0000	1.000	1.000
	0.5000	0.667	0.283
	2.0000	0.000	0.000
Corporates	-1.0000	1.000	1.000
	0.5000	0.000	0.065
	2.0000	0.000	0.000

The test result variable(s): mentors, incubators, accelerators, investors, corporates has at least one tie between the positive actual state group and the negative actual state group. The smallest cut-off value is the minimum observed test value minus 1, and the largest cut-off value is the maximum observed test value plus 1. All the other cut-off values are the averages of two consecutive ordered observed in table 6.21 test values.

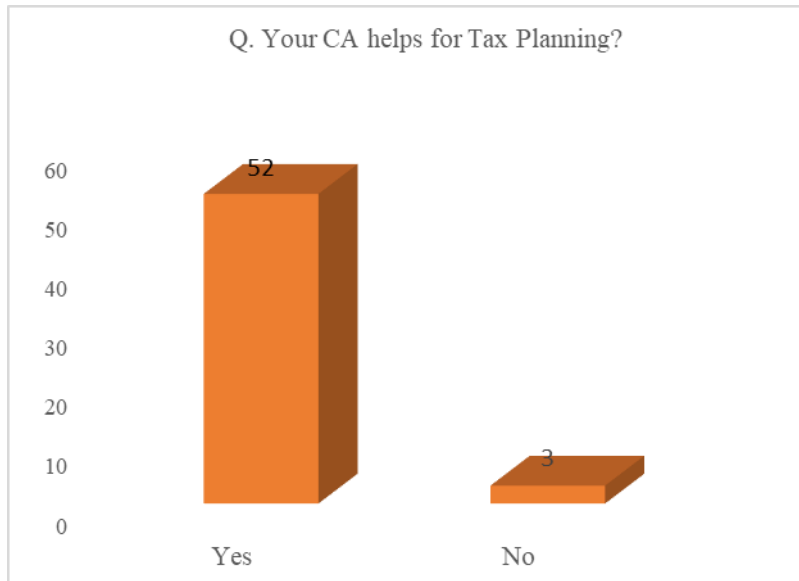
## **6.6 Answers of Few Questions:**

Answers of few questions are tabulated in the fig. 6.3 to fig. 6.19. The types of Tabular graphs have used for interpretation of different answers of questions. Tabular graphs are easy representation of answers.



**Fig. 6.3:** Answer of question: Are you satisfied with government rules and regulations about subsidies?

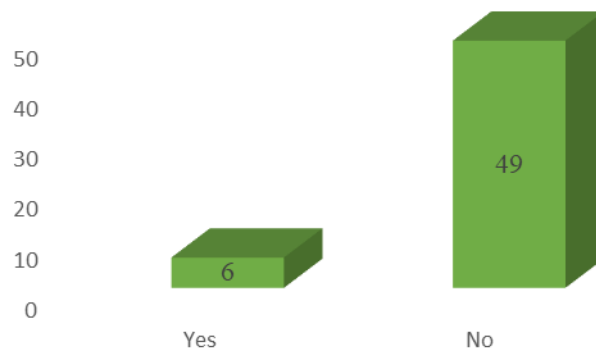
The fig. 6.3, 41 respondents answered that they are not satisfied with rules and regulations about subsidies. 14 respondents answered that they are satisfied with rules and regulations about subsidies.



**Fig. 6.4:** Answer of question: Your CA helps for Tax Planning?

The fig. 6.4 described that 52 respondents agreed that CA helps for tax planning. But 03 respondents not agreed that CA helps for tax planning.

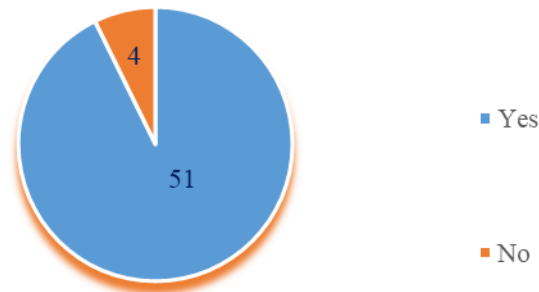
Q. Are you aware that CA helps for estimation of funds requirement i.e. not maximum not minimum at optimal level of start up?



**Fig. 6.5:** Answer of question: Are you aware that CA helps for estimation of funds requirement i.e., not maximum not minimum at optimal level of start up?

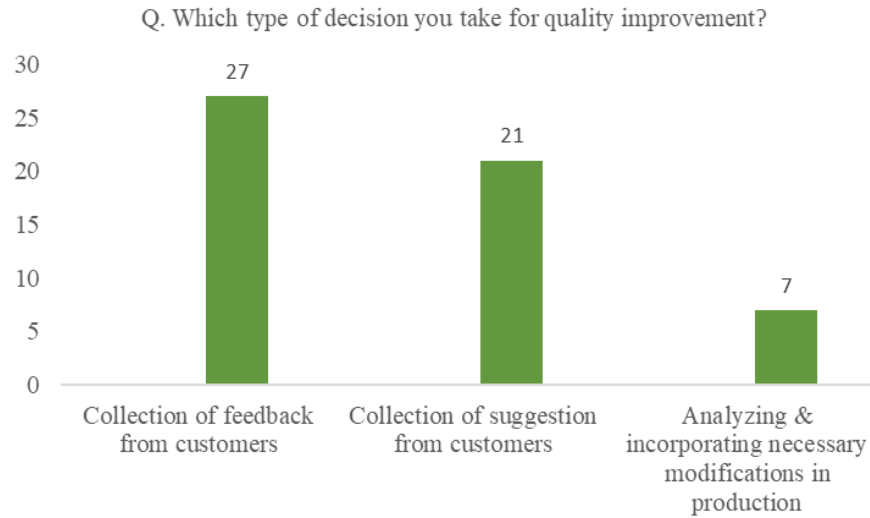
The fig. 6.5 described that 06 respondents are aware that CA helps for estimation of funds requirement i.e., not maximum not minimum at optimal level of Startups. But 49 respondents not aware about CA helps for estimation of funds requirement i.e., not maximum not minimum at optimal level of Startups.

Q. Are you think that there is requirement of separate accounting standards should be defined for startups from ICAI?



**Fig. 6.6:** Answer of question: Do you think that there is requirement of separate accounting standards for Startups from ICAI?

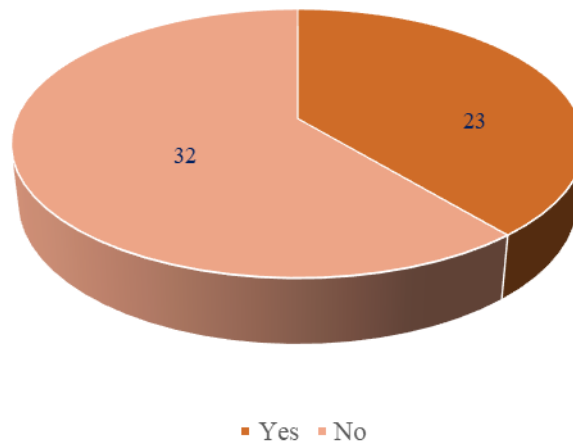
The fig. 6.6 represents that 51 respondents think that there is requirement of separate accounting standards should be defined for Startups from ICAI and 04 respondents think that there is no any requirement of separate accounting standards should be defined for Startups from ICAI.



**Fig. 6.7:** Answer of question: Which type of decision you take for quality improvement?

The fig. 6.7 describes that 27 respondents take collection of feedback from customers for quality improvement, 21 respondents collect suggestions from customers and 07 respondents analyse and incorporate necessary modifications after customer feedback.

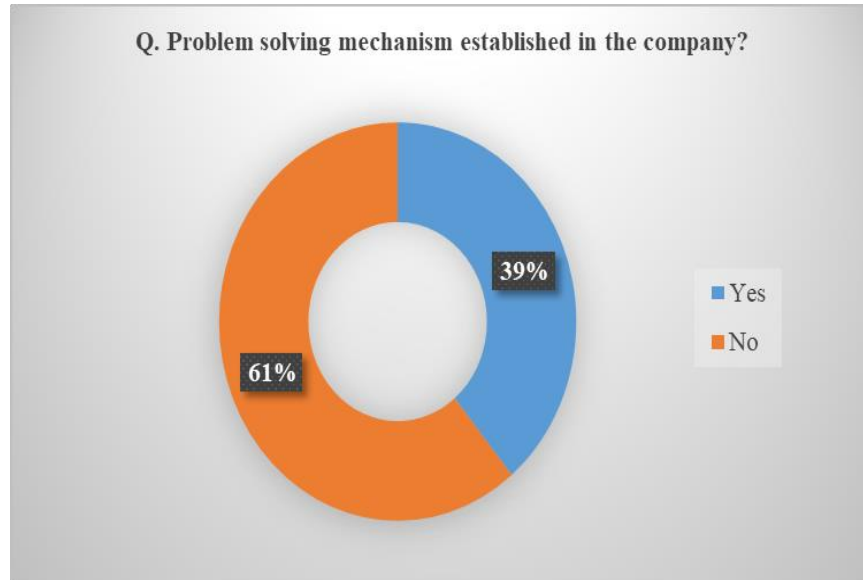
Q. Have you made provisions for continuous electricity?



**Fig. 6.8:** Answer of question: Have you made provisions for continuous electricity?

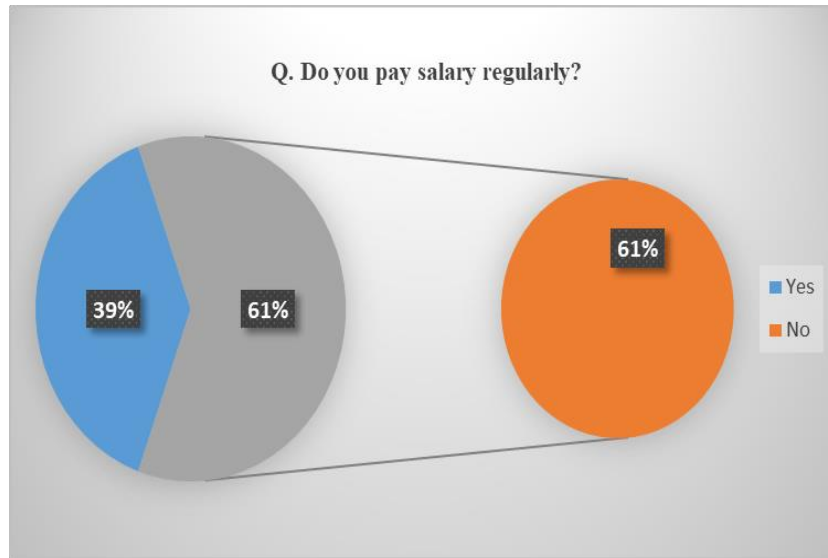
### **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

The fig. 6.8 represents that only 36 Startups done provision of continuous electricity and 23 Startups have not done any provision of continuous electricity.



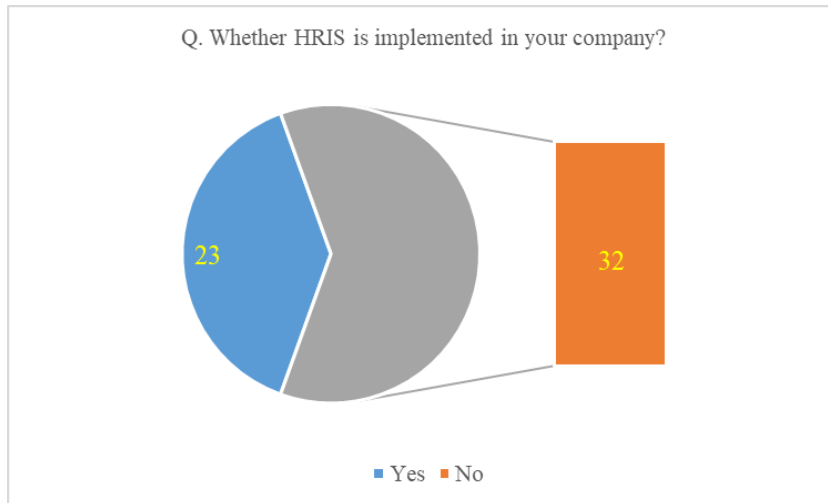
**Fig. 6.9:** Answer of question: Problem solving mechanism established in the company ?

The fig. 6.9 describes that only 39% respondents established problem solving mechanism in their and rest all i.e., 61% respondents not established problem solving mechanism in their company.



**Fig. 6.10:** Answer of question: Do you pay salary regularly?

The fig. 6.10 labels that 39% respondents paying the salary regularly and 61% respondents are not paying the salary regularly. Due to COVID-19 they are unable to pay salary regularly.

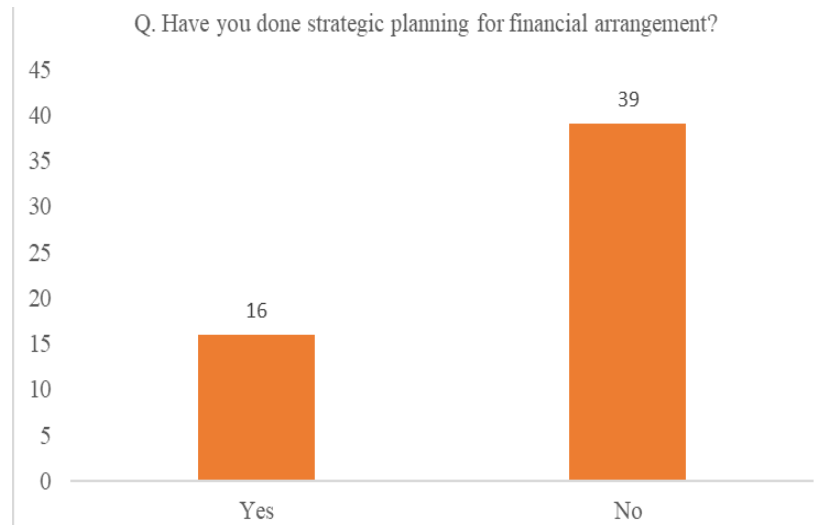


**Fig. 6.11:** Answer of question: Whether HRIS is implemented in your company?

The fig. 6.11 publicized that only 23 respondents implemented HRIS system in their company and 32 respondents are not implemented HRIS system in

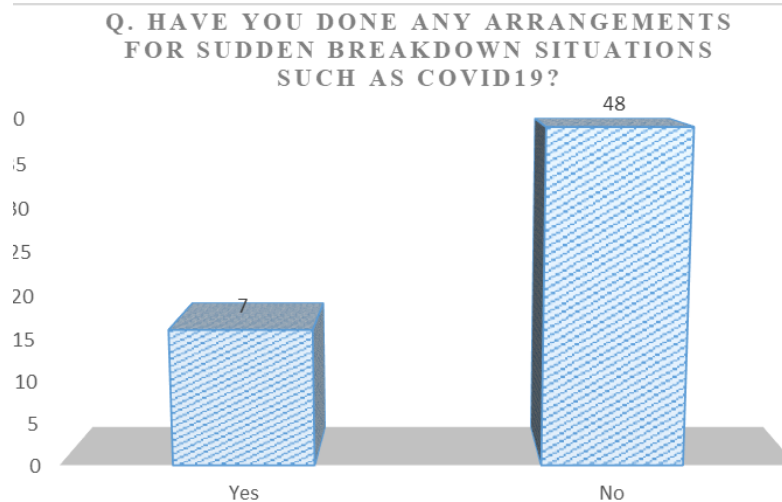
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their company. The meaning of the answer is that lot of paper work is done in instead of digital work.



**Fig. 6.12:** Answer of question: Have you done strategic planning for financial arrangement?

The fig. 6.12 exposed that only 21 Startups have done strategic planning in their for financial arrangements and 34 respondents have not done strategic planning for financial arrangements.

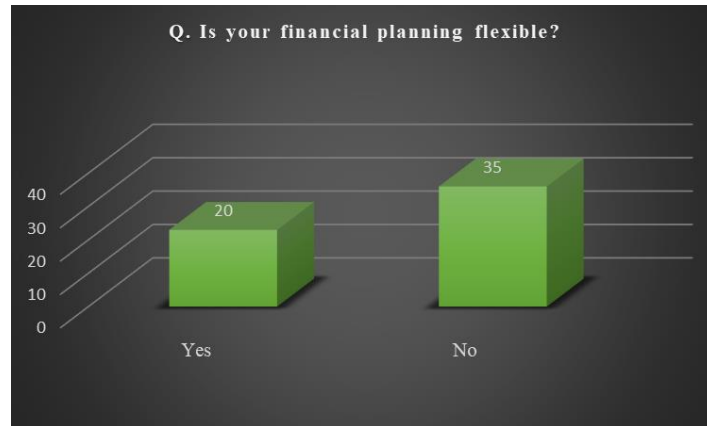


**Fig. 6.13:** Answer of question: Have you done any arrangement related to Covid-19?



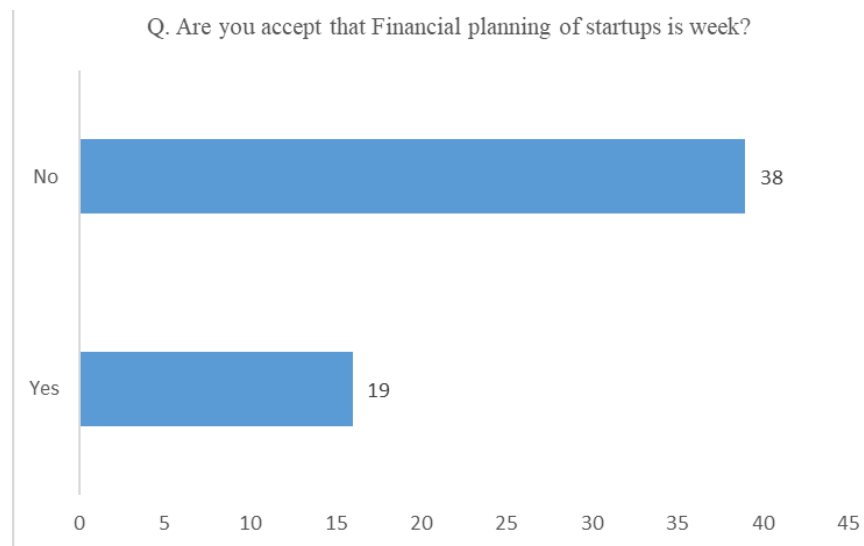
## Data Analysis and Interpretation

The fig. 6.13 publicized that only 07 respondents done arrangements for sudden breakdown situations such as covid19 and 48 respondents have not done arrangements for sudden breakdown situations such as covid19.



**Fig. 6.14:** Answer of question: Is your financial planning flexible?

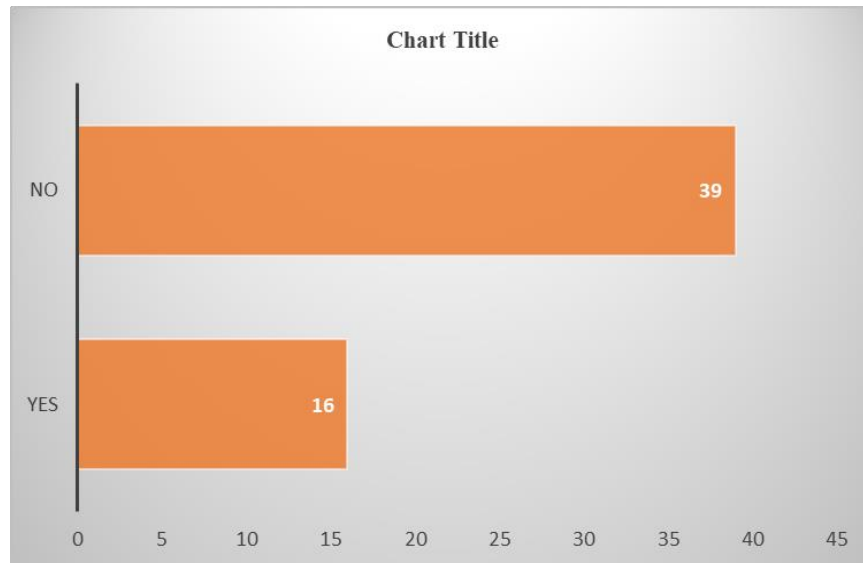
The fig. 6.14 describes that only 20 respondents financial planning is flexible and 35 respondents financial planning is not flexible.



**Fig. 6.15:** Answer of question: Do you accept that Financial planning of Startups is week?

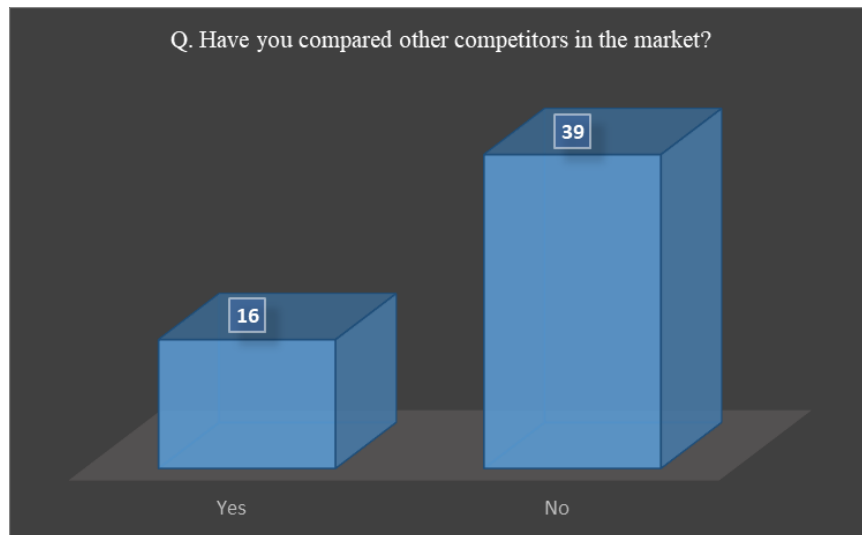
### **Analysis and Evaluation of Indian Start-ups in Non-metropolitan ...**

The fig. 6.15 answered that 19 respondents accepted the financial planning of Startups is week. But 38 respondents not accepted the financial planning of Startups is week.



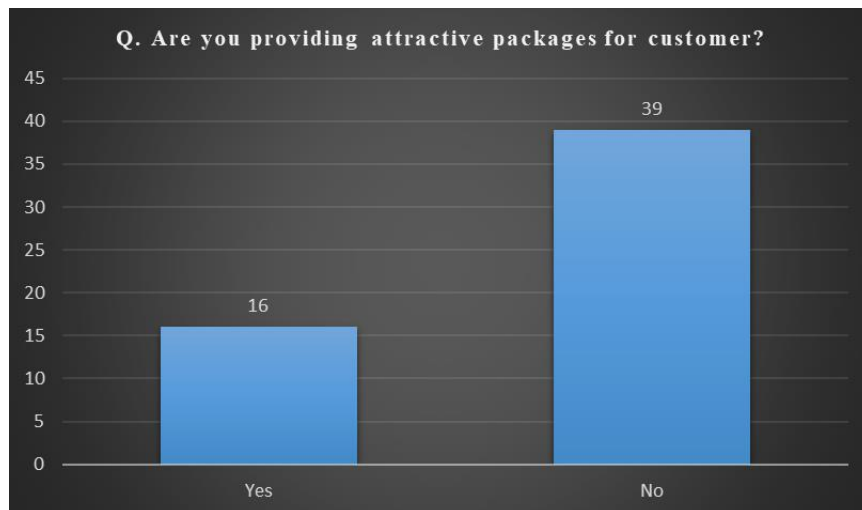
**Fig. 6.16:** Answer of question: Are you aware about accounting standards required for Startups?

The fig. 6.16 shown that only 18 Startups aware about accounting standards required for Startups and 37 Startups have not aware about accounting standards required for Startups.



**Fig. 6.17:** Answer of question: Have you compared other competitors in the market?

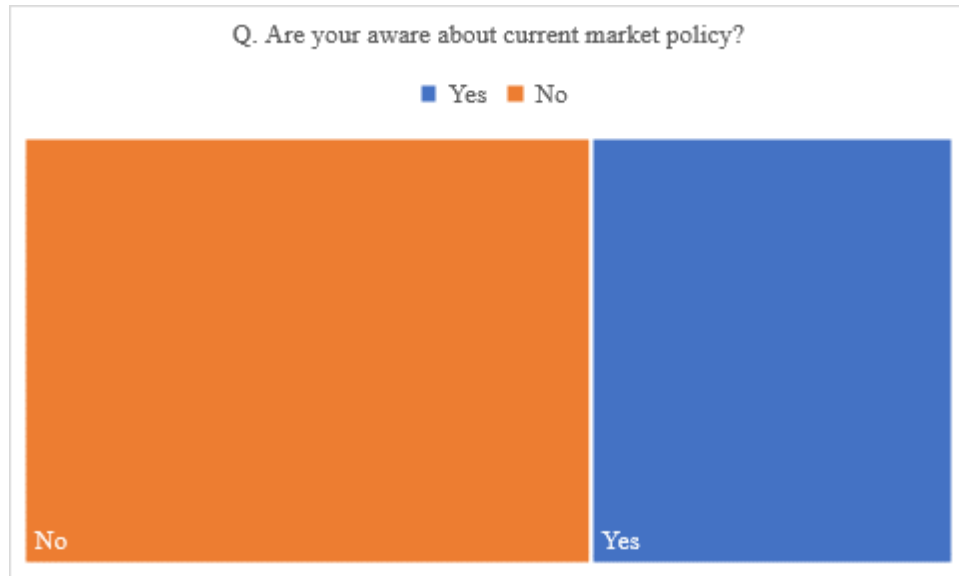
The fig. 6.17 shown that only 22 respondents have done comparison of competitors in the market. But 33 respondents have not done comparison of competitors in the market.



**Fig. 6.18:** Answer of question: Are you providing attractive packages for customer?

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The fig. 6.18 exposed that only 16 respondents are providing attractive packages for customer and 39 respondents are not providing the attractive packages for customer.



**Fig. 6.19:** Answer of question: Are your aware about current market policy?

The fig. 6.19 showing that 58% respondents are not aware about current market policy and 42% respondents are aware about current market policy.

### **6.7 Closure:**

The Data interpretation and analysis had done and tested the hypothesis. 08 null hypothesis accepted and 01 hypothesis accepted the alternate hypothesis. The answers of questions are tabulated. ANOVA testing, Correlation testing, Chi-Square testing and ROC curve are tested for hypothesis and objective testing.

## Chapter 7

# FINDINGS AND SUGGESTIONS

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### 7.1 Gig Economy:

"It is a labour market characterised by the prevalence of short-term contracts and or free-lance work as opposed to permanent jobs. Working in the GIG ECONOMY MEANS constantly remaining with last minutes scheduling". To understand what is the role of GIG PLAYER, would like to present an example viz consulting accountant in gig economy

- Handyman
- Security testing
- Freelance programmer
- Amazon FLEX
- Fiverr

With the help of technology and study came across the name of great contributors like BILL GATES, STEAVE JOBS, MARK ZAKARBERG, SUNDER PICHAI...!!!

INTERNET has given people miracle result, howsoever, many people could not reach to 'HIGH SPEED CONNECTION'. If anybody want gig players and their role in Startups shall be required software -as-a -service, shall also require high speed internet connectivity.... Still there are considerable results of these players in gig economy. Who have given tremendous contribution in the economy? Some of such. Examples are worth quoting.

#### 7.1.1 Elon Musk:

He is going to develop the new trend in electric autonomous cars, reusable space shuttle, multi-internet connection through various satellite, higher-loop projects...etc. He is also working on NURO LINK projections connecting human minds with computer...11

#### 7.1.2 Salman Khan:

This reference of Salman khan is not with the hero of Bollywood...? He is

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real GIG PLAYER, who has prepared video lecture to make maths subjects easy. Initially his efforts were to teach to his nephew. Thereafter he has started KHAN ACEDEMY with the help of which more than 10 crores students are studying and they have prepared 6500 videos... free for education....!

### **7.1.3 Jack Dorsy:**

People are knowing JACK DORSEY AS CEO of 'TWITER'. Now a day fake news and propaganda has become nuisance. All such news site give importance to earning instead of factual news. Only JACK DORSY has canvassed for control over social media. This is his remarkable contribution.

### **7.1.4 Anteneo Nerry:**

SAS MEANS software as services is the main theme appealed by ANTENEO. The concept of office has been changed. It is converted on need base and this gentleman is now focussed on SAS in his 'HP PAVELEON' It has done a miracle in Startups business. The example of such success is 'PET POOJA'

These are some of the examples of success of GIG ECONOMY. For example, 'pet pooja" offers cloud computing-based kitchen and digital ordering, 24 hours supports for accepting orders, control over food cost and much more. Instead of traditional, in office full time job with a single gig worker work as short term, temporary, or independent contractors applying their own mission and vision. Each piece of work is self-identified. Flexibility is the main benefit means on demand they are ready to do work. Option are available, what to choose or not to choose...!

Safety cushions means keeping in comfortable cart these GIG workers may achieve the desired result.

Inconsistent income is also major benefit, instead of satisfying with limited income in occupation in job, there are ample opportunities to grab income.

New cost para metres are set for bench mark. With the amount of change taking place under current uncertainty legal issues of employer employee relationship are taken care of.

### **Research aim**

1. Our main aim is to motivate start up people to enter in to GIG

ECONOMY 'whether this start up in cub ants gets advantages and disadvantages.

2. What should be included in 'GIG ECONOMY" is often ambiguous but it includes working on the basis of digital platform. There is a vast difference between gig economy and traditional working arrangement.
3. To make the subject quite interesting can think for four broad platforms viz.
  - {a} higher skill creative concept
  - {b} low level repetitive work
  - {c} manual service labour type
  - {d} works that involves driving or delivery

Some well-established companies with in the sphere are 'UBER' and SWIGGY. There is not UNANIMOUS work classification or set of rules that can be implemented in gig economy. There must be capability to contribute to GDP of the economy.

### **7.2 Views for Startups and Gig Economy:**

1. Under gig economy, these start up people are knowledge intensive and they are under creative occupations, they are the largest and fastest growing segments of the free-lance economy.
2. The thought process is, they feel that of a host of personal, social and economic anxieties without the cover and support of a traditional employer and they consider that, their independence is their choice and they would not give up the benefits that come with it.
3. These incumbents have four types of connections viz...to place, to make it routine, to stick to purpose and to focus on people always. They control their emotional ups and downs and gains energy and inspiration from their freedom
4. Instead of working in a monotonous way they feel to jump in a freelance carrier.
5. Here people would like to choose assignments and make the most of their true interest.
6. EVEN the most successful and well-established people are working

under calculative boundaries but here it is not so, they may find comfortable to show their skill.

7. The hiring of workers for single discrete tasks where the requester and workers are gathered on one platform and need base performance is generated.

### **7.3 Conditions for Gig Workers Under Start Up Domain:**

1. There are three key areas of research that are to be taken care of. viz.
  - a. The status of start-up people under direct employment or under independent contracting.
  - b. Management of income criteria
  - c. Their collective contribution to GDP
2. To put it little differently may group employment, employer, employee, terms and their independency. For example; 'UBER CONTRACTS" which may be considered as unfair because they give Uber the right to change terms unilaterally at any time.
3. Risk measurement for these start up people...
  - a. There is absence of training, health or retirement benefits
  - b. Lack of income predictability
  - c. Uncertain project frequency and uncertain work hours
4. On one hand, there are minority start up people who engages themselves on highly specialised occupations and on another side, there is less favourable situations....! They have to work on different situation at different time.
5. There is no regulation on "gig economy" and start up people for working condition, time, situations, there is no specific work guidelines, there are no specific association or trade union.

### **7.4 Strategic planning:**

Strategic planning is the process of setting direction, priorities and goals of business. It is assessment of where Startups is, discussion of where it wants to go and prioritize what they will focus on for the coming period of time (quarter, half year or annual).



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Through planning, it determines a strategic agenda and priorities for the planning period (short, mid and/or long term). It has to ensure that entire entity is aligned and working towards the same goals & objectives. Planning helps ensure that business focus on the right things at the right time. The fewer focus areas the better, so that the maximum number of people focused on the most important goals. Following steps should be followed in strategic planning

1. **Review**—Review trends, the current state of the business and industry.
2. **Discuss**—As a leadership team, discuss & debate materials reviewed and how it should impact focus areas and priorities.
3. **Decide**—Align on where Startup want to go, decide on focus areas and priorities. Set OKRs.
4. **Document**—Document your strategic plan using a simple format that can be shared across the organization.
5. **Communicate**—Communicate the strategic plan to all the members of Startups, and provide frequent updates.
6. **Execute**—Leverage culture of accountability to ensure plan is executed by cascading it across the organization with tight alignment.
7. **Monitor**—Report on plan progress & results frequently.

Every Startups needs a solid growth plan, and every plan must include:

- A unique value propositions
- A clearly defined target market
- An outline of the right Key Performance Indicators
- Smart hiring systems
- Competitor analyses
- Careful financial planning

Planning is important, but the cadence of communicating, executing and measuring outcomes is equally important. In this way, planning should be thought of as a step in an ongoing process that's built into organizations' operating system.

## **7.5 Steps for successful Startups:**

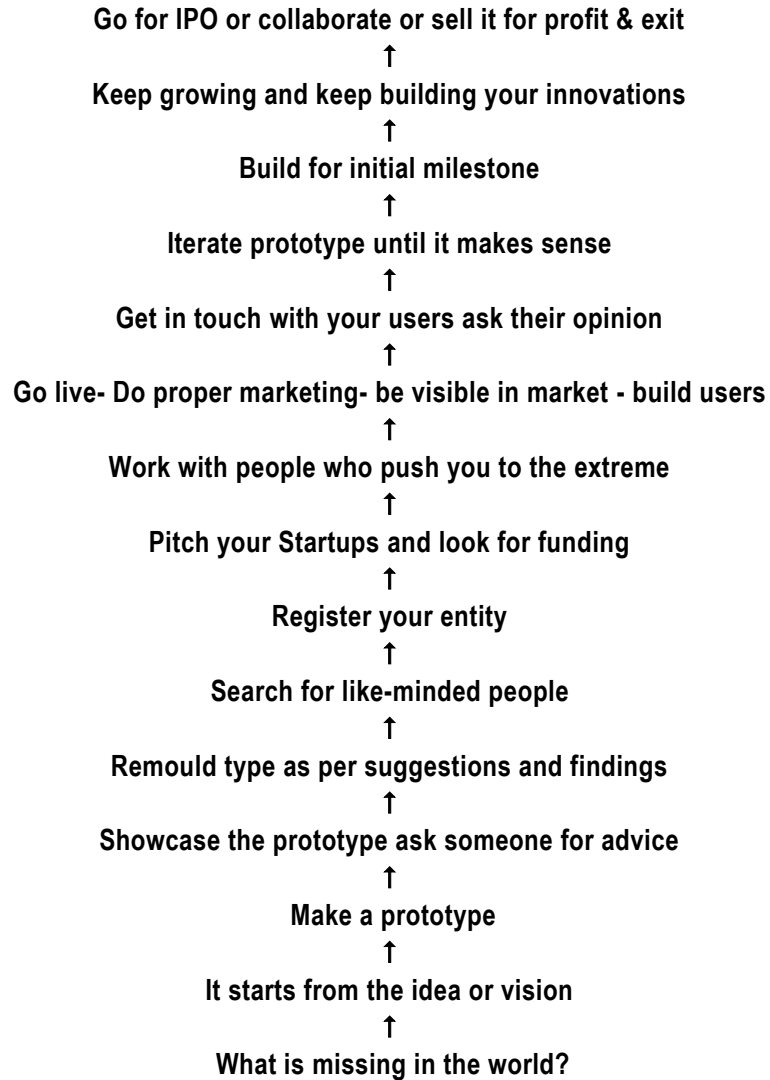
After taking various interviews of Startups, incubators and accelerators we have identified following steps which should be followed while starting a Startups.

- i. What is missing in the world? What innovation is required? Be it new product, new service or process innovation.
- ii. It starts from the idea or vision – Everyone though that idea is start of Startups, but it is not true. Timing is important. It should not be too early ahead of time and too late that there is already too many competitors.
- iii. Make a prototype and for that there should be sufficient addressable market size. Though product is innovative but if total market is too small it cannot scale up.
- iv. Showcase the prototype ask someone for advice –Ask the advice of customers and investors. Try to sell it to unknown people so you get viability of product market.
- v. Remold type as per suggestions and findings
- vi. Search for like-minded people – after product validation search for like-minded people to make team of highly passionate people. Startups require highly skilled people.
- vii. Register your entity – Do with legal formalities
- viii. Built beta version, Pitch your Startups and look for funding
- ix. Work with people who push you to the extreme – have perseverance, have patience
- x. Go live. Let everyone know you have built something interesting – Do proper marketing, be visible in market. Spend time and money on marketing - build users
- xi. Get in touch with your users ask their opinion
- xii. Iterate prototype until it makes sense
- xiii. Build for initial milestone
- xiv. Keep growing and keep building your innovations – Startups have

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to keep innovating and growing otherwise it cannot be sustained in market. New players will kick it out. Sometimes it has to collaborate with other Startups or have to sell it at profit and exit



### Steps to start Startups

## **7.6 Business Model:**

A business model describes how an organisation creates delivers and captures value. Most of the modern digital Startups are adopting one of the following business models.

1. Software-as-a-service
2. Marketplace
3. E-Commerce
4. On Demand
5. Sharing/circular economy
6. Inventory light

### **1. Software-as-a-service (SaaS)**

In such type of business models a Startups create a software, put that on the cloud and create a distributed channel in order to provide it not as a package software but rather as a service. Microsoft office is a packet software is office 365 is SaaS. E.g. Dropbox Salesforce Google workspace goto meeting

### **2. Marketplace**

In such type of business model Startups creates online marketplace where buyer and seller meet for the intention of having a trade.

### **3. E commerce**

E commerce definition is often linked with SaaS and marketplace. However, the key difference is that startup need to have transaction with its platform. It can be single store, single vendor, single product e-commerce platform or a single store, multi-vendor, multi-product.

### **4. On demand**

Startups website or app provide services or deliver goods upon customer's request typically immediately or within a day. Netflix has video on demand business, Uber has on-demand ride service

### **5. Sharing economy**

It is also called P2P (peer to peer) model where it creates a decentralized marketplace for individuals to be able to interact directly which each other in order to buy and sell goods or services to each other.

### 6. Inventory Lite

It is often interlinked with sharing economy model wherein the business does not need heavy capital invested into buying inventory and rather works off vendor's inventory. Uber does not own any cars, it operates which are owned by drivers or the vendors themselves. Amazon on the other hand is not entirely inventory lite as it stores products from the vendor's to its centralised warehouses to be able to effectively manage its supply chain and delivery network.

### 7.7 Revenue Model

A **revenue model** is a framework for generating financial income. It identifies which **revenue** source to pursue, what value to offer, how to price the value, and who pays for the value. It is a key component of a company's **business model**.

#### **Direct Sales:**

Startup directly sales its products or services through its own channel for example website or app. It might have resellers or affiliate selling its products or services but being the manufacturer or the service provider itself it control the pricing and the majority of the revenue from sales come to it.

#### **Commission:**

Startups earn through commission that it take on each sale or transaction happening on its platform. Mostly the marketplace, E-Commerce and sharing economy based business models for follow commission based revenue model. Flipkart Amazon take commission of every sale happening through their platform although the products are sold by vendors. OYO, OLA tax commission of every property / ride rented through its platform.

#### **Subscription/Membership plans/Recurring:**

Customer pay to startup for periodic subscriptions in order to use its product or service. Saas businesses operate on this revenue model wherein the customer pays a certain amount on recurring basis as per month/year. Netflix Salesforce Amazon prime accept run on subscription revenue model.

#### **Advertisement:**

Infotainment based websites or services mainly can monetize their content through advertisements. Most media businesses online have advertisement

as their primary source of revenue generation. They as publishers monetize their content by putting in banner/contextual ads of advertisers. Sometimes instead of directly placing advertisers ads, publishers work with ad network for affiliate networks such as Google ads, Yahoo ads, commission junction etc to find and to able to work with other advertisers.

**Startup should be clear about their business model and revenue model.**

## **7.8 Main reasons of failures of Startups:**

Startups are meant to innovate and scale up. The cost of starting a Startups, making innovation, collecting database, building platform, and marketing is very high compare to general small and medium business. So there is huge fund investment. If the product is not build in time and marketed properly the success ratio will drop drastically. The good ideas get imitated immediately. Following are some of the reasons of failure of Startups identified during research.

1. Convincing for new idea and new vision is a must. It has to talk to the clients and customer in about its vision, because customer is the key factor to decide about acceptance of products or services offered
2. Weak time management -This again means proper decision must be taken at proper time. Where this time management fails Startups could not make success.
3. It is generally said that there are no short cuts to launch a Startups business. People have to do Proper homework, they have to understand customer's needs, choice preference and the time of their requirement. People would like to buy from those to whom they have faith, trust. Building rapport creates the trust and credibility, consider it is all about the relationship and not only for sale.
4. Consider the role of angel investor, venture capitalist and private investors. To scale up funding is must. Investors not only brings funds but also their expertise and network for the success of Startups. If Startups has conviction in its idea, it should not give up after few refusals from investors and keep trying for funding.
5. Non availability of highly skilled staff is major reason of failure of Startups in non-metropolitan areas.

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6. Non adoption of new technology, new ideas, and new markets stops the growth of Startups. They should focus on advanced technologies as ML, AI, analysis, Big Data etc.
7. Startups should do risk management and have plans for uncertainties and volatility in the market.

## 7.9 Statewise Startups ecosystem

**Table 7.1 Table of State score and number of Startups**

Sr. NO	States \ Action Points	Institutional Support	Simplifying Regulations	Easing Public Procurement	Incubation Support	Seed Funding Support	Venture Funding Support	Awareness and outreach	Total Score	No of Reg. Startups 15.01.21
1	Maharashtra	1	1	1	-	1	1	1	6	7856
2	Karnataka	1	1	1	1	-	-	1	5	5699
3	Gujarat	1	1	1	1	-	1	1	6	2345
4	Haryana	1	-	1	1	-	-	1	4	2334
5	Telangana	-	1	1	-	-	-	-	2	2302
6	Tamilnadu				1	-	-	-	1	2189
7	Kerala	1	1	1	1	1	1	1	7	1944
8	Rajasthan	1	1	1	-	1	1	1	6	1275
9	Odisha	1	1	1	1	1	-	1	6	761
10	Andhara Pradesh							1	1	683
11	Bihar	1	1	1	-	1	-	-	4	641
12	Jharkhand				1	1	1	-	3	385
13	Panjab	1	1	-	-	-	-	-	2	347
14	Utarakhand	1	1	1	-	1	-	1	5	323
15	Assam					1		-	1	293
16	Chattisgarh					1		-	1	155
17	Himachal Pradesh							1	1	95
	<b>Total States</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>10</b>		

States' Startup Ranking 2019 report on support to startup ecosystems is published by DPIIT on 11<sup>th</sup> Sep 2020. In this report the Government evaluated initiatives taken by states for implementing startup ecosystem development in states. The ranking framework was spread over 7 pillars i.e., Startup policy and implementation, incubation support, seeds funding support, angel & venture funding support, simplified regulations, easing public procurement, and awareness and outreach. In the ranking Exercise 22

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States and 3 Union Territories participated. The period under which compliance on action points was considered is from 1st May 2018 to 30th September 2019. We have compared the score of states as per this framework with the number of startups in the states as on 15.1.2021 and it revealed interesting connection between the two. States which scored high points has more number of Startups compare to states which scored less points. This shows that if state provides effective Startup ecosystem the number of successful Startups will grow faster.

### **7.10 Suggestions to Government:**

To further accelerate growth of startups, Government should take following additional measures

1. It should make procedural work simpler and more single window system should be provided for fulfillment of all Startups needs i.e Registration, Licenses, Land allocation, Electricity power supply, Export Import licenses, Funding facility, Techno based advice
2. Startups should be categorized as per their theme

**Type A-** These idea provide those service and products to the customers which are not available in their existing territory.

**Type B-** These idea use a technically new process. And people should be ready to accept.

**Type C-** This idea is for lifestyle business means the founders shall initially set up that business, which assures a level of income to provide foundation to enjoy lifestyle.

**Type D-** This idea is for small business Startups which means to feed for family needs only.

**Type E-** Idea is for scalable Start up means born to be big and compatible to do good performance.

**Type F-** Idea is for Large scale Start up, the theme is innovating or die.

According to type of startups their requirement differs. So, Government should categories them as per their vision and mission and accordingly facilities should be provided.



## **Findings and Suggestions**

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3. Government should make survey from Trade Unions, Various associations, Chamber of commerce and individual Startups about their pains and perils and try to solve them
4. The priority areas as per future growth prospects should be decided and accordingly focused efforts should be made. E.g. Fintech, Agritech, Edtech, E-commerce etc.
5. Some of the Startups work for betterment of society and they don't have revenue model. Separate funding arrangement should be made.
6. It should improve Startups ecosystem in non-metropolitan areas, so that more and more incubates can join it
7. There should be more ease of doing business it should make procedure of taking benefits of various Government scheme more hassle free.

## Chapter 8

# CONCLUSION

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### 8.1 Conclusion:

In this research work, the problems of Startups are identified. The hypothesis was designed and verified using statistical tools. 55 Startups have given their feedback. The analysis and evaluation of these feedback are tested statistically. The ANOVA analysis, correlation analysis, chi-square test and ROC curve are used for verification of the hypothesis and objectives of the research work. The main contribution of the research work is analyzing the success of Startups. The contribution of the research is Analysis and evaluation of Indian Startups in non-metropolitan areas and selected metropolitan areas. The contribution of the research work is original and tried to indicate the problem of entrepreneurs. The research carried deeper analysis of Startups. The research report indicates the thrust area of Startups to improve for sustainable development.

In metropolitan area the Startups ecosystem is developed so number of Startups are more. Mentors, Incubation centers, Investors, Accelerators plays important role in success of Startups. In urban and semi urban areas there is less awareness about Startups business model and ecosystem. In these areas aspiring promoters didn't get opportunity to connect with all stakeholders of ecosystem. The successful Startups owner's success stories and pain and perils help aspiring Startups from failure and also motivate them. Startups incumbents are not doing proper study of market regarding demand for products or services to be offered. They should focus on advanced technologies as ML, AI, analysis, Big Data etc. Internet connectivity, transport and electricity facility over the remote areas increased the opportunities in rural and semi urban areas.

### 8.2 Future Work:

In the future, every component analysis of Startups is necessary. In future quality analysis of Startups is necessary. Startups information related to finance, strategic planning, continuous monitoring and support from experts will help for Startups development. The Startups must be connected with market for more profit and more benefit with strategic planning and

## **Conclusion**

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standards. There is need of easy understandable financial standards to Startups. The Startups must be sustainable Startups and must reduce the failure and shut down of Startups. There is need to have collaboration of Startups in nearby areas which will help Startups for win-win situation. All the players or stakeholders of Startups ecosystem should work in harmony with each other.

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