



AN ANALYSIS OF THE IMPACT OF THE LOCKDOWN ON INDIAN START-UPS OR BUSINESSES BOTH DURING AND AFTER COVID-19

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ABSTRACT

India is the fastest growing economies in the world and startups are contributing efficiently towards our nation's growth. However, Lockdown has impacted our daily life and businesses most. India is known for young population and their innovative mindset because thousands of graduate people started their own startup every day and contribute their share in the GDP growth of country. Covid-19 pandemic hits mercilessly to our businesses and economy, the young founders had shut down their startups and some of them did combat to do survival in the market. Owner did pay-cuts from the salary of employees to limit the losses during the Pandemic.

After a year of Lockdown market started to replenish the business losses quickly and started to gain their attractiveness with the help of e-commerce tools in INDIA. Government of India took initiative like – Start-up India scheme to suppress the economy crises in the country during Covid-19 period and provide tax relaxation, financial grants and subsidies to the entrepreneurs who started new-startups.

KEYWORDS- START-UP, ENTREPRENEUR, BUSINESS, ECONOMY, COVID-19, PENDEMIC.

OBJECTIVE OF STUDY-

- To analyze current scenario of Indian start-ups.
- To compare current business situation with covid-19 shutdown situation in India.
- To know about Indian government initiative and schemes to support entrepreneurs.
- To motivate young generation to start their own business and create employment opportunities.

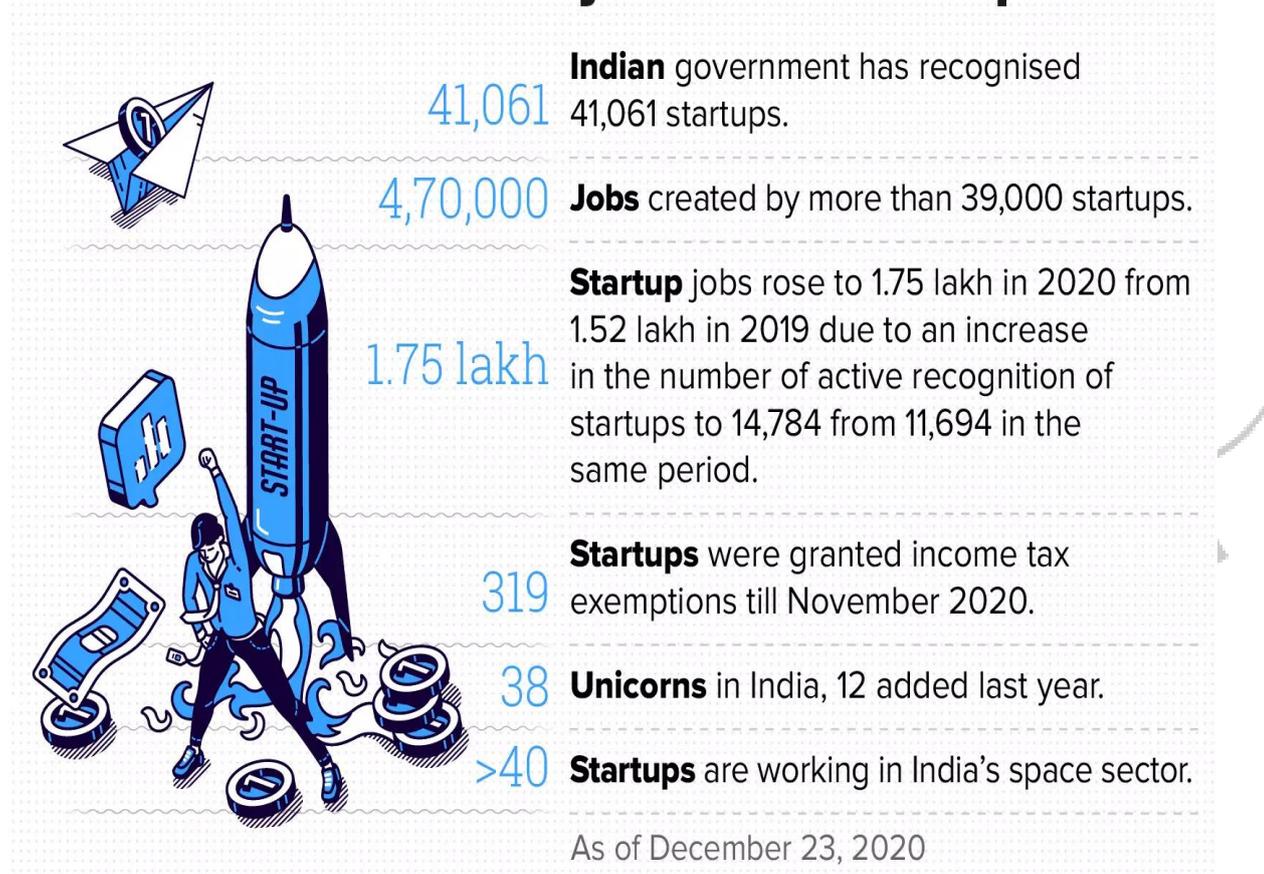
INTRODUCTION-

Indian start-ups are the part of modern economic society which are spreading in different sectors. In India entrepreneurs are coming from small town and villages because India is known as country of villages, it shows that brilliant mind and creative ideas can grow anywhere in the world. Young Indians are capable to generate wealth from the business and create employment opportunities for the people.

Lockdown during Covid-19 gave mental, emotional, and financial shock to the entrepreneurs because they haggled with huge loss in their business. A famous memo called Covid-19 the 'BLACKSWAN' of 2020 for start-ups. The Start-ups viewed as risk in comparison of Job people because jobs are much secure option during the pandemic. Young graduates from India love to start their small business venture like- Bakery shops, Coffee Cafe, online consultation services etc.

At present scenario start-ups are acting as engine and innovative ideas spark that engine to make people self-employed and grow their business without any complications of time. A Business will increase the wealth of entrepreneur which make improvements in the living standard, magnify thinking and reasoning ability of a person and motivate to do well in their working sector, it also enlightens about economic conditions of country and world. In this research paper we reviewed about the condition of Indian start-ups during and post covid-19 lockdown. Government of India started many schemes like- Atal Innovation Mission (AIM), Startup India seed fund scheme, Atmanirbhar Bharat app innovation challenge, Start-up India initiative, MUDRA banks etc. The small industrial development bank of India (SIDBI) also run as an implementing agency of funds for start-ups.

Economic Survey 2021 On Startups



REVIEW OF RELATED LECTRATURE-

Startups are playing very meaningful role to upgrade Indian market and they will promote GDP growth of our country. Government of India has launched many schemes to increase the self-employment of young people because in 2020 India was captured by covid-19 waves and the businesses gone dissolved.

(As per Indian startup ecosystem) India have third largest ecosystem for startups globally, (31st May 2023).

Startup India sees fund scheme (SISFS) aims to provide financial assistance to startups for proof of concept, prototype development product trial market entry and commercialization.

'Prarambh' the Prarambh summit aims to provide a platform to startups and young minds from around the world to appears with new innovative ideas and inventions.

(As per Indian's Unicorn startups) e-commerce has the Lion's share of Indian Unicorn with 23 startups achieving this status as of May 2022. Reporting by (Inc42) shows that four out of the 10 fastest Indian Unicorns are from the e-commerce sector.

It is a matter of pride for every Indian even during the global pandemic our startups have created wealth and value.

As per PM Modi said during his 89th Mann Ki Baat radio address to the nation on Sunday. The Ministry of commerce and industry had said at that time Once out of every 10 Unicorn globally have been born in India.

The Hindu Report said – Covid-19 impact: 40% of Indian start-ups hit, but recovery is strong. India is on track to have 100 unicorns by 2025.

START-UPS AND INDIANS-

As per start-up India scheme - The Startup India Initiative has contributed to building a robust startup ecosystem in India by nurturing innovation, catalysed networking, designing policy measures, and mentoring.

India has massive pool of young talented generation, Millions of people got graduate every. Government of India took an initiative called 'Start-up India' and to support businesses PM Modi launched many schemes like – Make in India, Mudra yojana, startup India and many more. These schemes provide financial and technical aids to business venture which can motivate an entrepreneur mindset person to starts a business.

Here are some Popular start-ups in India started before lockdown and at present they are generating revenue in millions and contribute towards the economic growth of country e.g.- Physics Wala, Chai Suta Bar, Flipkart, Un academy, Ola etc.

STATES' START-UP RANKING

According to - The States' Startup Ranking is a yearly capacity building exercise created and released by DPIIT that evaluates all of India's states and Union Territories on their efforts to build an ecosystem conducive to startup growth.

States' Startup Ranking was launched in February 2018 to achieve the vision of building a robust startup ecosystem in the country. It aims to evaluate the Indian startup landscape through the eyes of state policy intervention and identify state practices that accelerate ecosystem growth and development.

The states ranking has led each state to have dedicated startup policies and through annual rankings, it tracks the evolution of these policies and the overall efforts of states in ecosystem building.

PANDEMIC ATTACK OVER START-UPS AND ECONOMY OF INDIA

It is suggestive that the value of investments in India have fallen to \$0.33 billion in March 2020 from \$1.73 billion in March 2019, which indicates a fall of nearly 81.1%⁴. There has been a total fall of 50% in the number of companies funded - presently, 69 firms in March 2020, in contrast to 136 firms in March, 2019⁵. Further sources suggest that sometime between mid-February 2020 & end of March 2020, several investors have also pulled back from closing current funding rounds⁶. Thus, one of the major challenges faced by the start-ups has now become sourcing funds, which has resulted in cash flow issues, for many

The lock-down has not only impacted the daily business operations, but it has also forced a good-many start-ups into preparing for contingency plans to limit workforce and to cut down employee salaries. Various start-up founders have also taken pay-cuts to limit the losses faced⁸.

During covid-19 entrepreneurs faces huge loss many of them dissolved their start-ups, few of them got survived and saw disastrous situations in the market, survival of business was tough at that time because there was a huge declined in demand of goods and services from the retail market people were not allowed to visited out-side their home during lockdown period and that's why lockdown tear-down the economies of world.

Here, Digital India initiative and e- commerce played an important role during covid- crises, people order goods and services from their home via- online web portals and applications like – amazon, flip kart etc. Businesses adapted a way of selling their product at door-steps services with proper covid precautions. Government of India also provide subsidies and liberalised in taxation to save the start-ups and businesses.

POST PANDEMIC SITUATION OF START-UPS IN INDIA

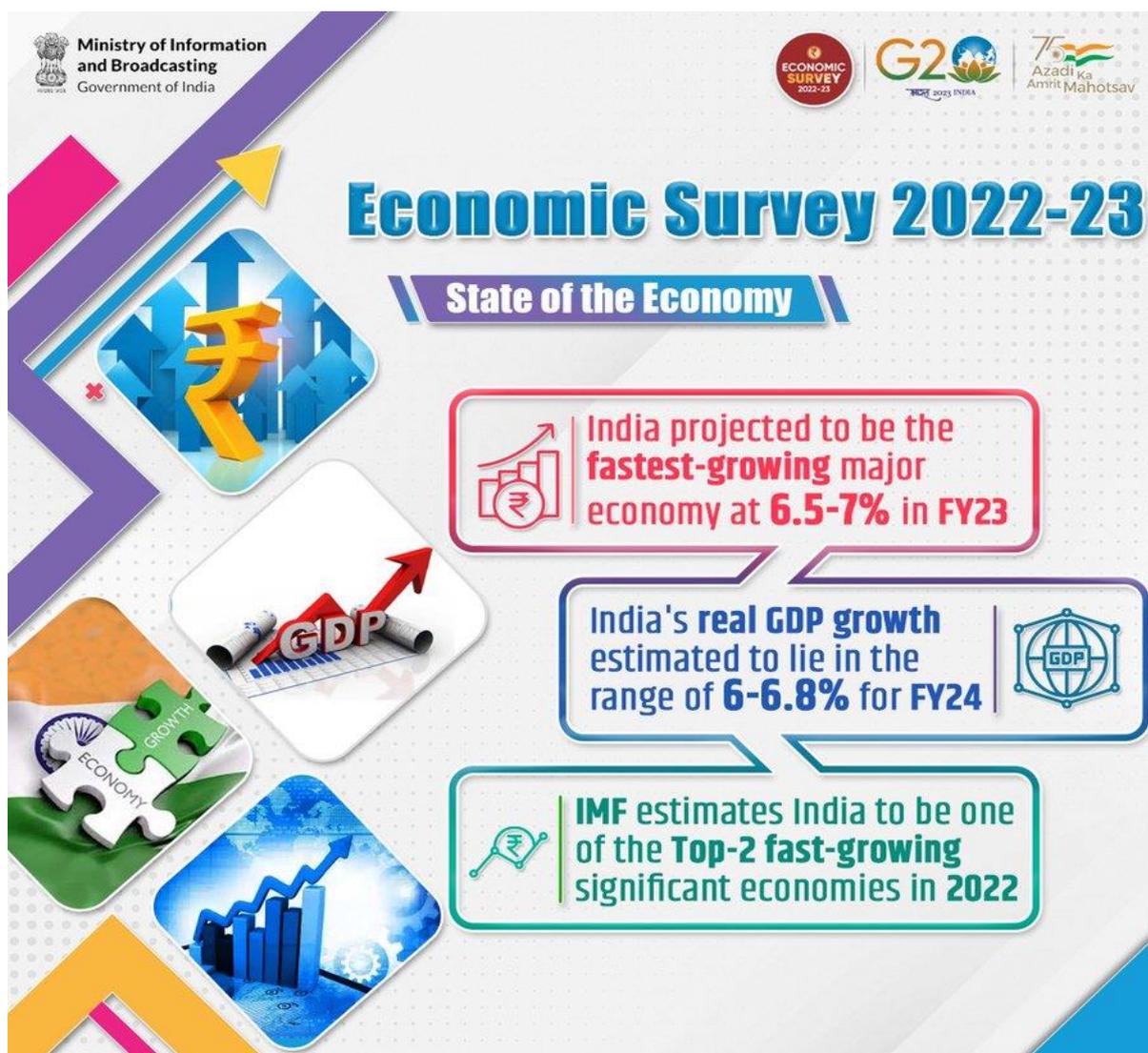
India is getting massive growth in start-ups and increasing in revenue generation According to – Report symbiosis, economic times etc...

Post pandemic situations are different because Indian start-up ecosystem are everywhere in education, science & technology, insurance and finance, food industry etc some of examples are BYJUS, PHYSICS WALA, ZOMATO, SWIGGY etc.

NOW, entrepreneurs are using e-commerce as a business tool to provide 24*7 services to the customers and the customers are happy to get the variety of choices at their doorstep without wasting their time in the market.

India is getting digital boom during the covid-19 and at present people fully adapted it in their start-ups and remote working, shopping, booking etc.





CONCLUSION-

The Covid-19 pandemic was disorganised the economy of world. Lockdown in India bankrupt the business sector most, it was an unexpected attack of virus which disturbed the startup ecosystem of our developing nation.

The startup sector is still dealing with the impact of Lockdown left behind, new rules and regulation of central govt. and Prime Minister Modi launched many schemes for startups to manage their business plan (As per 2020 to 2023 schemes) Like – Mudra yojana, Ebiz porta, Mission Local to Global etc.

Startups became Unicorns in different sectors like- Online education platforms, Remote working, Digital marketing etc. and generate billions of dollars For instance- Profitable edtech unicorn Physics Wallah's FY23 revenue has jumped three-fold to Rs 780 crore as compared to Rs 233 crore in FY22. "For the ongoing financial year FY24, our company has set an ambitious revenue target of Rs 2,500 crore at the group level, with approximately Rs 1,900 crore coming from our core operations and the remainder from acquired businesses," says Prateek Maheshwari, Co-Founder, Physics Wallah.

At present scenario, Indian startups industry is moving forward and compete with global businesses by the support of Indian government policies and expertise guidance. Startups are developing the environment of nurturing talent and maximise it towards their full potential with the help of technological advancement. It's a great time for Indian government and all Indian entrepreneurs to collaborate and united as one unit to accomplish the dreams into reality.

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