

23rd Jun, 2023

GS2 - Govt policies.

1. As India has one of the largest startup ecosystem in the world, compliance burden need to come down. Analyse.

Indian startup is 2nd largest global startup hub. numbers increased from

470	13000
2016	2022

; largest startup ecosystem after US & china.

Potential of startups in India

1. Resilience - over challenges posed by pandemic, but still survived.
2. Technological adoption increasing in Insurance sector eg. Digital onboarding
3. Health care ^{startups} becoming personalised and use of cutting edge technology.
4. sunrise sectors → agri-tech, virtual tourism, financial, education - all in harmony with startups
5. Increasing investment in e-commerce, online retail sector: fintech, edtech etc.

Challenges

Regulatory compliance burden and challenges

in financial services - roadblocks for
startup growth

Tightening monetary policy - globally -
Squeezing liquidity
Other Geopolitical tensions, \uparrow energy prices, etc.
(uncertainty)

affecting investors risk appetite.

Measures

1. Reduce Regulatory framework - e.g.
Single window approval, Ease of Performance Index
increase Ease of doing business

2. Taxation over capital gains can be reformed
e.g. tax holiday - in previous budget

3. Wrightage reduction or tax based on
employment generation. Tax on Employee
Stock option plan can be considered at time
of service.

Startups are engine of growth.
Government can take suitable suggestion into
consideration & take suitable measures