

# “Start-Up India Action Plan”



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# Start-Up India

Prime Minister Narendra Modi launched the "Start-Up India Action Plan"

The campaign was first announced on  
15 August 2015.



## What exactly is Startup India?

- Action plan to **develop an ecosystem** to promote and nurture entrepreneurship
- **Promoting bank financing to boost entrepreneurship** and encourage jobs creation.

# Start-Up India

## What is a startup?

- An entity, private limited company, a registered partnership firm or limited liability partnership (LLP) headquartered in India, which was opened less than ten years ago and have an annual turnover less than Rs. 100 crore.
- The entity should not be formed by splitting up or reconstruction and its turnover should not have crossed Rs. 100 crore during its existence.



## What are the advantages?

- Under the Scheme,
  - ✚ No inspection on start-ups for three years regarding labour laws.
  - ✚ Environment law compliance is required only post-self certification.

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# Start-Up India

## Eligibility for Startup ?

➤ Aims to develop and commercialize:

✚ A new product or service or process; or

✚ Improved existing product or service or process that will create or added value;

❖ Mere act of Developing products or services or processes which do not have potential for commercialization or undifferentiated products or services or processes, **with no or limited incremental value** for customers **would not be considered as eligible business.**



# Start-Up India



## Recognition as a Startup?

➤ The Startup should be:

- ✚ Supported by a recommendation in a format specified by DIPP, from an Incubator established in a postgraduate college in India/an Incubator recognized by Government ; or
- ✚ Supported by an incubator which is funded from Govt. as part of any specified scheme to promote innovation; or
- ✚ Funded by an Incubation Fund/Angel Fund/Private Equity Fund/Accelerator/ Angel Network duly registered with SEBI 1# ;
- ✚ Funded by Govt. as part of any specified scheme to promote innovation; or
- ✚ Have a patent granted by the Indian Patent and Trademark Office.

\* Department of Industrial Policy and Promotion (DIPP)

# Securities And Exchange Board Of India

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# Start-Up India

## Faster Entry :

- **Start - Up India hub** connect to **Single contact point** for start-up foundations in India
- The government is launching a
  - ✚ **Mobile app on 1 April 2016** and
  - ✚ **Online Portal** to help start-up founders to easily register
- **Protection for Intellectual Property Rights (IPRs)**
- **Patent filing procedures** to be simplified



## Faster Exit :

- The **government will assist** to find suitable solutions
- If they fail again, the **government will provide an easy way out.**

# Start-Up India



## Financial Benefits :

### ➤ Funding Available :

- ✚ ` **10,000 crore** fund for new enterprises by participating in the capital of SEBI\* registered Venture Funds(in the nature of Fund of Funds).
- ✚ ` **500 crore** from National Credit Guarantee Trust Company (NCGTC)
- ✚ Japanese Softbank, pledged total investments of **\$10 billion**
- ✚ Japanese Softbank, had already invested **\$2 billion**

### ➤ In **patent** costs, the startups will achieve:

- ✚ **80% Rebate** in fees for filing Patents.
- ✚ **Setting Up Panel of Facilitators** for consulting for the start-ups
- ✚ **100% Fees of the facilitators** will be funded by the Government
- ✚ Start-ups shall **bear only cost of Statutory Fees**



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## Taxation Benefits :

### ➤ Exemption in

- ✚ Income Tax for first three years only after obtaining certificate from the IMB\*
- ✚ Capital Gains Tax, invested in fund of funds recognized by the government.
- ✚ Capital Gain Tax, investment in newly formed MSMEs #

## Building Skills & Job Creations :

### ➤ Building Entrepreneurs

- ✚ Innovation courses in over ` 5 lakh schools to target ` 10 lakhs children's
- ✚ Annual incubator grand challenge to develop world class incubators.

### ➤ Atal Innovation Mission

- ✚ Atal Innovation Mission to boost innovation and encourage talented youths.



\*Inter-Ministerial Board (IMB)  
# Micro, Small and Medium Enterprises



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## ➤ Setting up Incubators

✚ Private Public Partnership model is being considered for

- ❖ 35 New Incubators and
- ❖ 31 Innovation centres at national institutes.

## ➤ Research Parks

✚ Set Up **07 new research parks** with an investment of `100 crore each,

- ❖ 06 in the Indian Institute of **Technology campuses** and
- ❖ 01 in the Indian Institute of **Science campus**.

## ➤ Entrepreneurship in Biotechnology

- ✚ 05 New Biotech Clusters,
- ✚ 50 New Bio Incubators,
- ✚ 150 Technology transfer offices and
- ✚ 20 Bio-connect offices in the country.



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## Summarization:

- ✚ Single Window Clearance even with the help of a mobile application
- ✚ `10,000 crore fund of funds
- ✚ 80% reduction in patent registration fees
- ✚ Modified and more friendly Bankruptcy Code to ensure 90-day exit window
- ✚ Freedom from mystifying inspections for 3 years
- ✚ Freedom from Capital Gain Tax for 3 years
- ✚ Freedom from Income Tax for 3 years
- ✚ Eliminating red tape
- ✚ Self- Certification Compliance
- ✚ Innovation hub under Atal Innovation Mission
- ✚ Starting with ` 5 lakh schools to target `10 lakh children for innovation programmes.



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# Start-Up India

**TAKE  
AWAY**

**3**

**YEARS**

**Free - Inspections**

**Free - Capital Gain Tax**

**Free - Income Tax**

*Single Window Clearance*

*Mobile Application*

*90 days Exit Window*

*Eliminating Red Tape*

*Self-Certification*

“Prime Minister NARENDRA MODI after conceptualizing ‘MAKE IN INDIA’ has taken another initiative as ‘START UP INDIA’. The lay down initiative taken will help to achieve and accelerate the economic growth of the country and may lead to bringing Long term Foreign Investment in India.”

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# Thank you

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