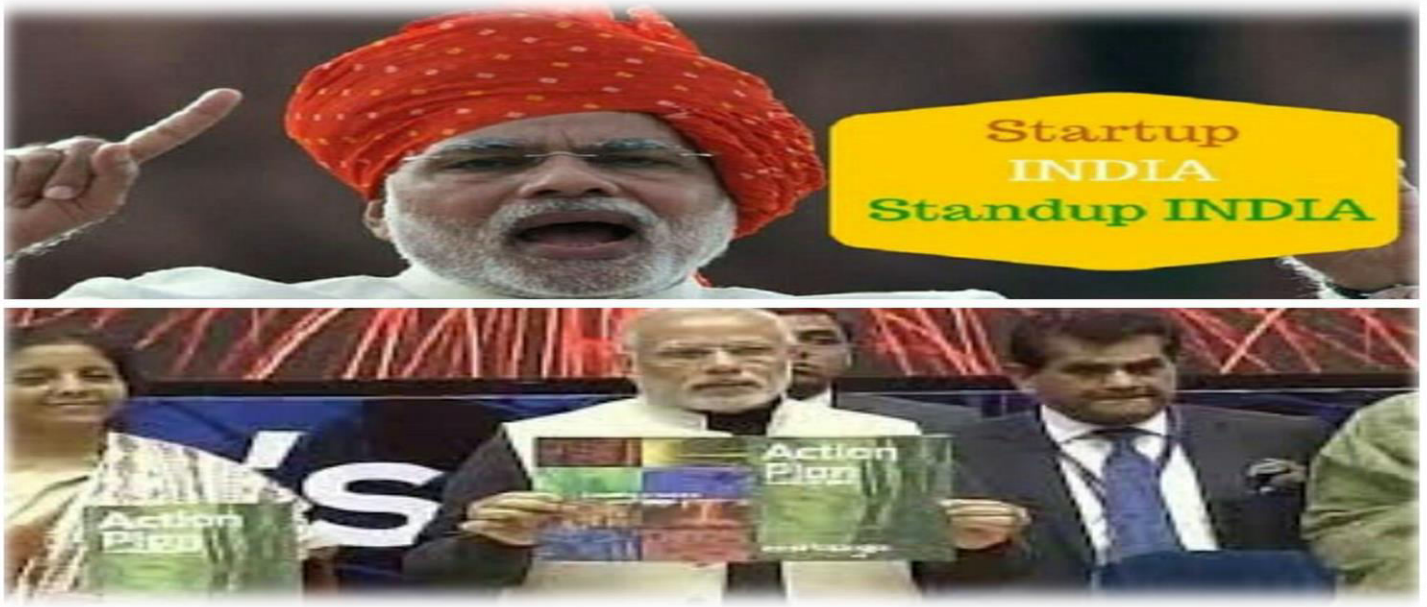


# START UP INDIA



Honorable Prime Minister Dr. Narendra Modi announced on 15th August, 2015 "Start-up India, Stand up India" to promote Bank Financing for start-ups and offer incentives to boost entrepreneurship and job creation.

Addressing the Nation on the 69th Independence Day, he said, "We are looking at systems for enabling start-ups. We want to enable start-ups to make India No. 1 in this field.... **Start-up India; Stand up India.**"

## Start of India Initiative

The Government's Union Budget allocation of INR 1,000 crore towards the Self Employment and Talent Utilization (SETU) scheme is a major boost towards promoting start-ups in the Country.

### Salient features:

- ❖ Encourage entrepreneurship among the youth of India. Each of the 1.25 lakh Bank branches should encourage at least one Dalit or Tribal Entrepreneur and at least one Woman Entrepreneur.

- ❖ In addition to existing systems to facilitate Start-ups, loans would also be given to help people.
- ❖ Give a new dimension to entrepreneurship and help set up a network of start-ups in the Country.
- ❖ Promised to do away with the current practice of interview-based selections for low-skilled Government jobs.
- ❖ The practice of "interviews" for recruitment at relatively junior levels and departments concerned to end this practice at the earliest and promote merit by recruiting only through transparent, online processes.
- ❖ As part of the Skill India and Digital India initiative, package of incentives will be given to manufacturing units for generating jobs.

## Start ups Innovation and Growth in India

- ❖ India has declared **2010-20** as the **Decade of Innovation**. The Government has stressed the need to vocalize a policy to synergies science, technology and innovation and has also established the National Innovation Council (NiC).
- ❖ India is the 4<sup>th</sup> largest ecosystem in the World for Starts-Ups, after the US, the UK and Israel with a rapidly evolving ecosystem, driven by an extremely young, diverse and inclusive entrepreneurial landscape.
- ❖ It is expected that if the current trend continues, within 1-2 years India will reach the 2<sup>nd</sup> spot after the US and will be among the top Asian Start-Up ecosystems, along with China and South East Countries.

- ❖ According to the NASSCOM around 11,500 Start-ups will come up in the Country by 2020, creating over 2.5 lakh jobs, compared to the current 75,000 jobs.
- ❖ According to a report by iSpirit, the top 30 software product start-ups in India are now valued at USD 10.25 Billion 20% increase from October 2014-these starts-ups employ 21,200 people and has 80% of their customer base abroad.
- ❖ Angel and VC funding in India has hit its highest ever mark. Over USD 3.5 Billion has been poured into 380 disclosed deals in the H1 2015.dealsl in the first half of the year have already surpassed the number of Start-up deals in 2014.
- ❖ The 50 Most Innovative Companies:

The TATA are the only Indian Company to find place in the top 50 rankings

1. Apple
2. Google
3. Samsung
4. Microsoft
5. IBM
6. Amazon
7. Tesla
8. Toyota
9. Facebook
10. Sony
  
43. **TATA**

## Start Ups Drive on Banks

- ❖ State owned banks have been asked to ensure that each of the 125,000 odd branches gives at least one loan to a startup venture proposal by a Dalit or a Tribal Entrepreneur.
- ❖ The Government, which wants to raise the share of the manufacturing sector to 25% of GDP by 2025, is looking at startups to create jobs for an estimated 15 million people who joined the workforce every year.
- ❖ In the first budget in July 2014, Finance Minister Arun Jaitley had announced a Rs.10,000 crore-fund to act as a catalyst to attract private capital by way of providing equity quasi equity, soft loans and other risk capital for startups.
- ❖ Make in India, focus shifts to small enterprises
- ❖ Current number 30mn of small, micro and medium enterprises in India
- ❖ Estimated 60mn number of employees at these units
- ❖ These factories contribute half of India's factory output, 45% of exports
- ❖ 8% of India's GDP is accounted for by small enterprises
- ❖ 45% of India's total manufacturing output comes from these companies.

## Action plan for Start Up India

Prime Minister Narendra Modi announces **Action Plan** for encouraging Start-Ups on 16 January 2016

### ➤ Action Plan in Brief

- ❖ Funding Support through fund-of-funds with corpus Rs. 10,000 crore. Challenge is that the Government Starts disbursing the Rs. 2500 crore earmarked every year
- ❖ Starting business in one day. The action plan provides entrepreneurs to register a company in one day, against 15-20 days as of now. The Government plans to implement it by April 1, 2016. Challenges include integration of DIN, TAN, DSC etc.
- ❖ No tax on profit , inspection for three years
- ❖ Capital gains tax exemption
- ❖ Credit guarantee scheme
- ❖ Easy and Faster exits policy:
  - The action plan envisages exits within 90 days in case of a start-up in a simple debt structure.
  - Challenge is getting pass the new Insolvency and Bankruptcy Act, 2015. Also the phrase "simple debt structure" needs to be defined properly.
- ❖ No capital gain if money invested in another start up
- ❖ Relaxed Norms of Public Procurement for Startups
- ❖ Self certification-based compliance for labor and environment laws
- ❖ Single point start up India hub for clearance
- ❖ Mobile App, Portal for registrations
- ❖ Handholding with Government acting as a friend and colleague

- ❖ New intellectual property rights protection, 80% reduction in patent fee and fast tracking patent examination
- ❖ Encourage start ups in government purchase, with relief in experience and turnover criteria
- ❖ Special scheme for women entrepreneurs
- ❖ Encouragement to incubation centers
- ❖ Support to biotechnology start-ups
- ❖ Programme to encourage innovation among students in 500,000 Schools
- ❖ Building Innovation Centres at National Institutes
- ❖ Setting up Research Parks
- [Click here for more Details...](#)

## Eligible Schemes under Startup Action Plan for Entrepreneurs

Startup India Action Plan announcements for Start Up eligible for tax benefits only after obtained certification from the Inter-Ministerial Board. such as :

- ❖ Must be a private limited Company/Limited Liability Partnership/Partnership firm
- ❖ Registration should not be more than 5 years

❖ Annual Turnover should not exceed 25 Crores

The guideline in the action plan document order for a start up to be considered eligible, the Start Up should be supported by a recommendation specified by the DIPP from an incubator established in a post graduate college in India, approval from DIPP that company is innovative, Recommendation letter by incubator in post graduate Indian college, incubator funded and recognized by GOI, funded by an incubation fund private equity fund/accelerator network patent granted by Indian patent.

## Activities Suggestion for Education Institute

- ✓ Innovative Idea Contest
- ✓ College level Student Debate
- ✓ Essay Competition
- ✓ Innovation Day Workshop
- ✓ Be a part of 5,00,000 student to encourage innovation

### Innovation Idea Contest:

Innovative ideas/dynamic models/prototype/designs and products for augmentation of quality life. Students will be promoted to make model, provide thoughts, ideas and action plan in the form of posters or prepare a design or prototypes related to application of potential technologies for societal development.

### Essay Competition:

Essay in Hindi or English from students are invited on the topic opportunities and challenges making knowledge hub for generating innovative ideas. This essay would further provide ideas to improve academic research and development.

### Debate Competition:

Innovation is the key industrialization rather than skill development

## Innovation Day Workshop:

Innovation and excellence through interaction and expression of thought.

### **CMAI Roles in Start Up India**

- Coordination with Make in India and Digital India.
- Facilitating a vibrant entrepreneurial ecosystem.
- Platform for Entrepreneurs, Financers, Mentors and other Stakeholders to engage and collaborate across the World, to share ideas, best practices, develop solution and partnerships that benefit India.
- Showcase Economic, Social and Cultural contribution of entrepreneurs.
- Collaborative approach Entrepreneurship and Youth Empowerment.