



Achievements of 'Startup India' Action Plan Achievements Simplification and Hand-Holding Compliance Regime based on Self-Certification

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List of 36 industries in “white” category has been published on CPCB’s website. CPCB has exempted industries in “white” from all the applicable self-certifications under the 3 Environment Acts listed in the Startup India Action Plan.

Ministry of Skill Development and Entrepreneurship (MSDE) has issued advisory to allow Startups to self-certify compliance with the Apprenticeship Rules, 1992 of Apprenticeship Act 1961

Self-Certification under six Labour Laws has also been formulated; 11 states have confirmed compliance to the advisory issued on 12.01.2016 by Ministry of Labour and Employment (MoLE)

Startup India Hub

- 27000+ queries handled by the Startup India Hub.
- 170+ Startups have been mentored for Incubation and funding support.

Rolling out of Mobile App and Portal

- Startup India portal developed to provide access to the following:
- Startup recognition.
- Incubator recognition.
- Advertising space for Startups.
- Learning & development module.
- The portal acts as a one stop solution for all queries related to the Startup India initiative.
- Startup India mobile app developed to provide on-the-go services and information to users.

Legal Support and Fast-tracking Patent Examination at Lower Costs

- Panel of over 422 facilitators for Patent and Design and 669 facilitators for Trademarks applications.
- 104 applications have received rebate of up to 80% rebate on patent fees and also received legal assistance.

Relaxed Norms of Public Procurement for Startups

- Relaxed norms for public procurement for micro, small and other enterprises have been provisioned in the Procurement Policy by the Ministry of Micro, Small and Medium Enterprise.
- Department of Expenditure and all Central Ministries / Departments /Department of Public Enterprises/ Central Public Sector Undertakings may relax condition of prior experience and prior turnover with respect to MSEs in all public procurements subject to meeting of quality and technical specifications.

Faster Exit for Startups

- Provisions for Corporate Insolvency Resolution Process have been notified on 1.12.2016.
- Liquidation provisions have also been notified on 9th December 2016.
- Draft rules and regulations have been uploaded on MCA website for public comments.
- Letter written to MCA to notify Startups as ‘fast track firms’.

Funding support and Incentives

Providing Funding Support through Fund of Funds (FFS) with a Corpus of INR 10,000 crore

- Rs. 500 crore has been released to SIDBI in FY16.
- Rs. 129 crore has been sanctioned by SIDBI to Venture Funds.

Credit Guarantee Fund for Startups

- The Credit Guarantee Scheme along with the Expenditure Finance Committee (EFC) note is in advanced stage of finalization.

Tax Exemption on Capital Gains

- Section 54 EE has been introduced under the Finance Act, 2016 which provides for exemption of capital gain arising out of transfer of long term capital asset (not exceeding INR 50 lakhs in a financial year) invested in a fund notified by Central Government.
- Section 54GB of Income-tax Act, 1961 has been amended to provide exemption from tax on capital gains arising out of sale of residential house or a residential plot of land if the amount of net consideration is invested in equity shares of eligible Startups for utilizing the same for purchase of specified asset.

Tax Exemptions to Startups for 3 Years

- Provision has been made in the Finance Act, 2016 Section 80- IAC for Startups (Companies and LLPs) to avail income tax exemption for 3 years in a block of 5 years, if they are incorporated between 1st April 2016 and 31st March 2019.
- In the Union Budget 2017-18, the Government has increased this period of profit-linked deductions available to the eligible Startups to 7 years. Thus, once the Finance Bill 2017 is passed, a Startup can avail income tax exemption for three consecutive assessment years out of seven years beginning from the year in which such eligible start up is incorporated. This amendment will take effect from 1st April, 2018 and will accordingly, apply in relation to assessment year 2018-19 and subsequent years.

Tax Exemption on Investments above Fair Market Value

- **Removal of Angel Tax**
Tax exemption on investments above Fair Market Value have been introduced on 14 June 2016 for investments made in Startups.

Launch of Atal Innovation Mission (AIM)

- Establishment of 257 Tinkering Labs has been approved.
- 6 existing Incubators have been sanctioned for scale-up grant by NITI Aayog.

Building Innovation Centres at National Institutes

- 9 Technical Business Incubators (TBIs) have been approved.
- 10 Startup Centres have been funded by Ministry of Human Resources Department.

Setting up of 7 New Research Parks Modelled on the Research Park Setup at IIT Madras

- Out of the 7 Research Parks, IIT Kharagpur already has a functional Research Park.
- The Research Park at IIT Gandhinagar is being set up by DST.

Launching of Innovation Focused Programs for Students

- Uchatar Aavishkar Yojana (UAY): INR 475 crore for 2016-18 has been approved.
- 180 proposals have been received from IITs and 92 have been recommended for approval.

Participation and Partnership

- Guidelines for logo usage and financial assistance drafted.
- Partnership and participation in the following events –
 - TiE Global Summit 2016.
 - Uber Exchange.
 - IIT Bombay E-Summit 2017.
 - India-Portugal Startup Summit.
 - Amazon Launchpad.
 - NextBigWhat.
- Signed an MoU with Startup Portugal for leveraging the respective ecosystems, devising joint programs and exploring academia collaborations.
- Collaboration with State Governments in Startup-related events.

Other Incentives

- External Commercial Borrowing (ECB) guidelines for Startups: Startups can now borrow up to \$3 million or equivalent per financial year, either in rupees, or any convertible foreign currency or a combination of both, for a minimum average maturity period of three years

- Foreign venture capital investors (FVCI) are now allowed to invest in Startups irrespective of any sector without the Reserve Bank of India's approval.
- SEBI (Foreign Portfolio Investors) Regulations, 2014 have been amended to permit FPIs to invest in unlisted Non-Convertible debentures and securitised debt instruments
- The SEBI Board has approved five key amendments to SEBI (Alternative Investment Funds) Regulations, 2012 with respect to 'Angel Funds':
 - o The upper limit for number of angel investors in a scheme has been increased from forty nine to two hundred
 - o Angel Funds will be allowed to invest in start-ups incorporated within five years, which was earlier 3 years.
 - o The requirement of minimum investment amount by an Angel Fund in any venture capital undertaking has been reduced from fifty lakhs to twenty five lakhs.
 - o The lock-in requirements of investment made by Angel Funds in the venture capital undertaking has been reduced from three years to one year.
 - o Angel Funds are allowed to invest in overseas venture capital undertakings upto 25% of their investible corpus in line with other AIFs.

I. Uccharat Aavishkar Yojana (UAY):

- The objective of UAY is to promote industry and outcome-oriented research projects by students. It is being implemented under Ministry of Human Resource Development.
- INR 475 crore has been provisioned for 2016-18.
- 180 proposals have been received from IITs and 92 have been approved.

II. NIDHI (National Initiative for Development and Harnessing Innovations):

- NIDHI is an umbrella program by the DST for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups
- The 8 components under NIDHI would provide a range of funding support to startups from idea to prototyping, fellowship, incubation, seed support, acceleration support, etc., i.e. it would support each stage of a budding startup from idea to market
- One of these components, Startup-NIDHI, would financially support each of the selected startups with an ignition grant/award of INR 10 lakh
- Guidelines and pro-forma for submission of proposals have been published on the website.

III. Million Minds Augmenting National Aspirations and Knowledge (MANAK) scheme of DST:

- In context of Start-up India initiative, the INSPIRE Awards scheme is being revamped to foster culture of innovation through innovation focused programs for students
- The scheme has been rechristened as INSPIRE Awards-MANAK (Million Minds Augmenting National Aspiration and knowledge)
- 10 lakh ideas will be targeted from 5 lakh schools across the country in a financial year
- 1 lakh top ideas will be shortlisted for an INSPIRE Award of Rs. 5,000 each, for preparation of a project/model and participation in district-level exhibitions and project competitions
- 10,000 best projects will be shortlisted for state-level exhibitions and project competitions
- Top 1,000 awardees shortlisted at the state level will be given Rs. 20,000 each for development of improved prototype for national level event
- Top 60 projects will be shortlisted for National Awards and mentoring and will also be showcased at the Annual Festival of Innovations in Rashtrapati Bhavan.

Tinkering Labs

With a vision to 'Cultivate one Million children in India as Neoteric Innovators', Atal Innovation Mission (AIM) is establishing Atal Tinkering Laboratories (ATLs) in schools across India. 257 Tinkering Labs sanctioned under AIM (out of more than 30,000 applications).

This information was given by the Commerce and Industry Minister Smt. Nirmala Sitharaman in a written reply in Rajya Sabha today.

MJPS

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