

Topic: A Start up Revolution

Startup India campaign is based on an action plan aimed at promoting **bank financing** for start-up ventures to boost entrepreneurship and encourage start ups with jobs creation. The campaign was first announced by the Prime Minister in his **15th August**, address from the Red Fort. It is focused on to restrict role of States in policy domain and to get rid of "**license raj**" and hindrances like in land permissions, foreign investment proposal, environmental clearances. It was organized by Department of Industrial Policy and Promotion (**DIPP**). The **Standup India initiative** is also aimed at promoting entrepreneurship among SCs/STs, women communities.

Start UP India event was inaugurated on **January 16, 2016** by the **finance minister Arun Jaitley**. Among the attendees were around **40 top CEOs** and startup founders and investors from Silicon Valley as special guests including **Masayoshi Son**, CEO of SoftBank, **Kunal Bahl**, founder Snapdeal, Ola founder **Bhavish Aggarwal**, Paytm founder **Vijay Shekhar Sharma**, **Travis Kalanick**, founder of Uber, **Adam Nuemann**, CEO of WeWork, **Sachin Bansal**, founder of Flipkart and others.

Here are the top takeaways from the prime minister's speech.

1. Compliance regime based on self certification

The objective of compliance regime based on self certification is to reduce the regulatory burden on startups. This self-certification will apply to laws like payment of gratuity, contract labour, employees' provident fund, water and air pollution acts.

2. Startup India hub

A startup India hub will be created as a single point of contact for the entire startup ecosystem to enable knowledge exchange and access to funding.

3. Simplifying the startup process

A startup will be able to set up by just filling up a **short form through a mobile app and online portal**. A mobile app will be launched on **April 1** through which startups can be registered in a day. There will also be a portal for clearances, approvals and registrations

4. Patent protection

The government is also working on a legal support for fast-tracking patent examination at lower costs. It will promote awareness and adoption of **Intellectual Property Rights (IPRs)** by startups and help them protect and commercialize IPRs.

5. Funds of funds with a corpus of Rs 10,000 crore

In order to provide funding support to startups, the government will set up a fund with an initial corpus of **Rs 2,500 crore and a total corpus of Rs 10,000 crore over four years**. The fund would be managed by private professionals drawn from the industry while **LIC will be a co-investor in the fund**. The credit guarantee fund for start-ups would help flow of venture debt from the banking system to start-ups by standing guarantee against risks.

6. Credit Guarantee Fund

A National Credit Guarantee Trust Company is being envisaged with a budgetary allocation of **Rs 500 crore per year** for the next four years.

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7. Exemption from Capital Gains Tax

Currently, investments by venture capital funds in startups are exempt from this law. Now, the same is being extended to investments made by incubators in startups.

8. Tax exemption for startups

Income tax exemption to startups announced for **three years**.

9. Startup fests

Innovation core programs for students in **5 lakh schools**. There will also be an annual incubator grand challenge to create world class incubators

10. Launch of Atal Innovation Mission

Atal Innovation Mission started to give an impetus to innovation and encourage the talent among the people

11. Setting up of 35 new incubators in institutions

PPP model being considered for 35 new incubators, 31 innovation centres at national institutes

12. Setting up of 7 new research parks

Government shall set up seven new research parks - **six in IITs, one in IISc** with an initial investment of Rs **100 crore** each.

13. Promote entrepreneurship in biotechnology

Five new bio clusters, **50 new bio incubators, 150 technology transfer offices and 20 bio connect offices will be established.**

Performance of INDIA:

- Bengaluru, a metro city of Karnataka, is known as the **Silicon Valley of India**.
- Kerala is well known for the government's startup policy, "**Kerala IT Mission**", which focus on fetching 50 billion (US\$750 million) in investments for the State's startup ecosystem.
- Telangana has launched the **largest incubation center in India as "T-Hub"**.
- Andhra Pradesh has allocated a 17,000-sq.ft. Technological Research and Innovation Park as a Research and Development laboratory. It has also created a fund called "**Initial Innovation Fund**" of 100 crore (US\$15 million) for entrepreneurs.
- The government of Madhya Pradesh has collaborated with the Small Industries Development Bank of India (SIDBI) to create a fund of 200 crore (US\$30 million).
- Rajasthan has also launched "**Start-up Oasis**" scheme.

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<http://indianexpress.com/article/technology/tech-news-technology/start-up-india-what-india-inc-has-to-say-about-modis-pet-scheme/>

<http://www.thehindu.com/opinion/editorial/start-up-india-starting-up-to-stand-still/article8116856.ece>

<http://www.thehindu.com/business/narendra-modi-unveils-start-up-india/article8112821.ece>

<http://gadgets.ndtv.com/internet/features/12-significant-announcements-from-the-startup-india-action-plan-790781>