T E P T A L K

"If you can dream it, you can do it" - Walt Disney

The official newsletter of Technology Entrepreneurship Programme

Simplification and handholding

Launched Startup India portal and mobile app
- That helps with queries related to the 'Startup India' initiative
- App provides services and information to users on the go

Launched 'Startup Indian Hub
- An online platform for all stakeholders of the startup ecosystem to connect and engage with each other

Fast tracking of patent examination at lower costs

Formation of Insolvency and Bankruptcy Board to allow faster exit of startups.

Funding support and incentives

Created a Fund of Funds (FFS) for startups with a corpus of INR100 billion, to be released by 2025
- INR6 billion has been released in the last two years (FY16 and FY17)
- As on January 2018, total commitments under FFS stands at INR10 billion to 24 Alternative Investment Funds (AIFs)

Tax exemption to startups for 3 years in a block of 7 years, if incorporated between 1 April 2016 and 31 March 2019

Abolished 'angel tax', thereby exempting angel investors from income tax on their investments in startups.

Industry-academia partnership and incubation

Launched Atal Innovation Mission (AIM)
- AIM is setting up incubators in IITs and IIMs
- Also, setting up Atal Tinkering Labs (ATLs) in 941 shortlisted schools. These labs developed for students of class 6-12 to learn and develop innovative solutions using IoT devices, 3D printers, robotics, etc.

Using private sector expertise for incubator setup

Setting up 7 new research parks at IITs with an investment of INR1 billion each

Building innovation centres at national institutes – 15 approved so far.

Graphic courtesy: KPMG

GOVERNMENT SCHEMES & STARTUPS - WHAT YOU NEED TO KNOW?

The Indian government has launched more than fifty (50) startup schemes to empower entrepreneurs. These measures have provided a major fillip to the startup ecosystem and have helped accelerate new ventures in the country. This article takes a closer look at how the Indian government has been facilitating Startup India. As part of the TEP, entrepreneurs must take time out to educate themselves on these government initiatives and make the most of these schemes to support their startup journey.

STARTUP INDIA was a government initiative launched in January 2016 with the aim of promoting entrepreneurship.

The DIPP (Department of Industrial Policy and Promotion) has recognized more than 10,200 entities as "startups". [AD1] According to DIPP definition of start-up, "an entity shall be considered as a start-up up to a period of seven(7)years from the date of incorporation/registration, if it is incorporated as a private limited company (as defined in the Companies Act,1932) or a limited company(as defined in the Companies act 2013)or registered as a partnership firm (registered under Section 59 of the Partnership Act,1932) or a limited liability partnership (under the limited Liability Partnership act,2008)in India." This entitles them to access to benefits like guidance, incubation and funding.

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GOVERNMENT SCHEMES & STARTUPS - WHAT YOU NEED TO KNOW? (CONT.)

In a little over two (2) years, Startup India has seen remarkable changes including access to funding, policy simplification and initiatives around academia-industry collaboration. The same is illustrated in the graphic in page 1.

Increased Allocations: The union budget 2018-19 increased allocations for Startup India providing more stimuli.

(i) Reduced corporate tax to 25% for turnover below INR 250 Crore

(ii) INR 280 Crore allocated to Investment Promotion Startup India Scheme supporting 1000 startups

(iii) INR 200 Crores allocated to AIM (Atal Innovation Mission). Target to setup 600 ATLs (Atal Tinkering Labs) in 1500 schools

(iv) INR 720 Crores allocated to 70 technology business incubators for technology development

(v) INR 87.8 Crores reserved for Entrepreneurship scheme

Tech startups also stand to gain from initiatives like GST, 'Make in India', 'Standup India', 'Skill India' and 'Digital India'. BHARATNET stands out as a landmark initiative where 2.5 Lakhs Gram Panchayats would be connected by Optic Fiber and gain access to internet in rural areas. This would boost digital access to healthcare and education for the rural poor supported by Health-tech, Fin-tech, Agri-tech and Ed-tech startups where the TEP students working on the similar themes can leverage on these schemes in the rural sector.

Some of the notable schemes initiated by the government are:

(i) Multiplier Grants Scheme (MGS)- Implemented by DeitY (Dept of Electronics and IT), this scheme encourages collaborative R&D between industry and academia/R&D. It has an outlay of INR 36 Crores

(ii) Software Technology Park (STP) Scheme- 100% export oriented scheme for development and export of software and services. This could be of interest to all TEP participants working on software prototypes.

(iii) Venture Capital Assistance Scheme- Interest free loans from Small Farmers Agri Business Consortium

(iv) Single Point Registration Scheme (SPRS)- NSIC (National Small Industries Corporation) registers MSMEs under this scheme for participation in government purchases with special exemptions and benefits

(v) Bank Credit Facilitation Scheme- Credit support from NSIC in facilitating loans from nationalized and private sector banks.

In addition to the center, state level Skill development organizations like APITA and TASK have partnered with premium B-Schools to promote entrepreneurship with programs like the Technology Entrepreneurship Program. They also provide programs like IoT Maker Space and support capacity building initiatives in the fields of Information Technology, Electronics, and Communications.

Way Forward:
Government schemes have played a major role in facilitating a startup environment and empowering entrepreneurs. A good opportunity is seldom presented and easily lost. Needless to say, it is vital that we grasp the benefits of these schemes to our advantage. More importantly, we must disseminate their potential benefits to the uninformed startup community.

You may refer to following link - https://www.thehindu.com/business/Industry/dipp-comes-out-with-fresh-notification-on-definition-of-start-ups/article23510782.ece

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