

#startupindia

The Status Report



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STARTUP INDIA HUB

Startup India Hub was operationalised on 1st April 2016 to resolve queries and provide handholding support to Startups. The hub has been able to resolve 12,290 queries received from Startups through telephone, email and Twitter. To seek clarifications pertaining to Certificate of Recognition as a "Startup", Certificate of Eligibility to avail tax benefits, seeking information on incubators or funding, one can get in touch with the Hub on Toll-Free number: **1800115565** or email: **id dipp-startups@nic.in**

LEARNING

Startup India Hub would soon be launching an interactive online learning and development module to educate Startups and aspiring entrepreneurs, through various stages of their entrepreneurial journey. The learning and development module shall be made available through the Startup India portal (<http://startupindia.gov.in>).

RECOGNITION

571 applications have been received for out of which **106** had the required documents. Out of the total applications received, **12** applications can be considered for tax benefits as only these Startups have been incorporated after April 1, 2016. However, **7** applicants have furnished all the required documents. Rest of the applicants will be provided guidance and support to submit the relevant documents by the Startup India Hub.

RECOMMENDATION BY INCUBATORS

A maximum fee of **INR 5,000** can be charged by the incubators for providing Letter of Recommendation to Startups. In cases where external expert(s) is/are required to assess the innovativeness of a product/service/process, a maximum fee of **INR 10,000** can be charged by the incubators.

AUGMENTING INCUBATORS

In order to augment the existing list of incubators, a module to recognise incubators has been launched. This shall enable incubators to obtain recognition from the Government of India which will allow them to issue recommendation letters to Startups. For more details, visit the link: <http://startupindia.gov.in/applyforincubatorreg.php>

FACILITATORS

A panel of facilitators has been constituted for providing assistance and support in filing applications for Intellectual Property Rights (IPR), wherein, Department of Industrial Policy and Promotion (DIPP) would bear the facilitation cost.

To get the list of facilitators, visit:

http://startupindia.gov.in/upload/List_of_facilitators_for_patents.pdf



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Startups can get income tax exemption for 3 years in a block of 5 years, if they are incorporated between 1st April 2016 and 31st March 2019

A 'fund of funds' of INR 10,000 crores for Startups has been established which shall be managed by SIDBI



7 proposals for Research Parks, 16 proposals for TBIs and 13 proposals for Startup centres have been recommended by the National Expert Advisory Committee (NEAC) formed by MHRD



ELIGIBILITY

To avail IPR-related benefits (rebate in fee and free of cost facilitation in filing IPR applications), a Startup would not be required to obtain a Certificate of Eligibility from the Inter-Ministerial Board of DIPP (a Certificate of Recognition of DIPP would suffice).

TAX EXEMPTION

The Finance Act, 2016 has made provision for Startups to get income tax exemption for 3 years in a block of 5 years, if they are incorporated between 1st April 2016 and 31st March 2019. To avail these benefits one must get a Certificate of Eligibility from the Inter-Ministerial Board of DIPP.

Tax exemption on investments above Fair Market Value have been introduced for investments made in Startups (as per definition). For details, visit link:

<http://startupindia.gov.in/upload/Notification%20related%20to%20Tax%20Exemption%20on%20Investments%20above%20Fair%20Market.pdf>

EXEMPTION FROM COMPLIANCES

Startups falling under the list of 36 "white" category industries have been exempted from all the applicable compliances under 3 Environment Laws viz. The Water (Prevention & Control of Pollution) Act, 1974; The Water (Prevention & Control of Pollution) Cess (Amendment) Act, 2003 and The Air (Prevention & Control of Pollution) Act, 1981. To get the list of "white" category industries, visit link:

http://startupindia.gov.in/upload/MoEF_New_Category_of_White_Industries_05_03_2016.pdf

RELAXED NORMS OF PROCUREMENT

Relaxed norms on prior experience and turnover for public procurement for micro and small enterprises have been provisioned in the Procurement Policy of Ministry of MSME. To get details, visit:

http://startupindia.gov.in/upload/MSME_Relaxed_Norms_for_Startups_10_03_2016.pdf

ENABLER

The Insolvency and Bankruptcy Bill 2015 has been enacted to enable businesses wind up in 3 months.

A 'fund of funds' of INR 10,000 crores for Startups has been established which shall be managed by SIDBI. The fund will invest in SEBI registered Alternative Investment Funds (AIFs) which, in turn, will invest in Startups. Thus, this fund will act as an enabler to attract private capital in the form of equity, quasi-equity, soft loans and other risk capital for Startups.

RESEARCH PARKS, TECHNOLOGY BUSINESS INCUBATOR & STARTUP CENTERS

7 proposals for Research Parks, 16 proposals for TBIs and 13 proposals for Startup centres have been recommended by the National Expert Advisory Committee (NEAC) formed by MHRD. These proposals shall be implemented in the current financial year.

COLLABORATION

DIPP will write to top companies to request them to support the initiative by setting up new incubators or scale up existing incubators in collaboration with educational institutes.

HUB AND SPOKE MODEL

DIPP has requested State Governments and administration of Union Territories to set up Startup Hub as well as incubators to help Startups during various stages of development.