

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 3668.
TO BE ANSWERED ON MONDAY, THE 8TH AUGUST, 2016.**

CONFERENCE ON STARTUP INDIA PROGRAMME

**3668. SHRI T. RADHAKRISHNAN:
SHRI S.R. VIJAYAKUMAR:
KUNWAR HARIBANSH SINGH:
DR. SUNIL BALIRAM GAIKWAD:
SHRI GAJANAN KIRTIKAR:
SHRI BIDYUT BARAN MAHATO:
SHRI SUDHEER GUPTA:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has called the first States' Conference on the Startup India initiative recently;
- (b) if so, the names of the States which have participated along with the issues discussed therein;
- (c) whether the Government has called these States to present the work they have done on the Startup ecosystem;
- (d) if so, whether these States provided update on the progress made on the action plan and work done for startups so far; and
- (e) if so, the details thereof along with the other steps taken/being taken by the Government to boost the Startup programme in the States?

ANSWER

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)
THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)**

- (a): Yes, Madam. The first Startup India States' Conference was held on 23rd July, 2016 in New Delhi.
- (b) & (c): All State Governments and Union Territory Administrations were invited to participate in the Conference. The list of States/Union Territories which participated in the conference is at Annexure I. Five states viz. Gujarat, Karnataka, Kerala, Rajasthan and Telangana were called to present the work done by them on the startup ecosystem.
- (d) & (e): Yes, Madam. The details of progress made on the action plan for startups by these States are available on the website: <http://startupindia.gov.in/firstStateConf.php> and steps taken by the Government to boost the startup programme is at Annexure II.

ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF THE LOK SABHA
UNSTARRED QUESTION NO 3668 FOR ANSWER ON 8TH AUGUST, 2016.**

**List of States/UTs participated in the Startup India States' Conference on 23rd
July, 2016**

1. Andhra Pradesh
2. Bihar
3. Chandigarh
4. Chhattisgarh
5. Delhi
6. Gujarat
7. Haryana
8. Himachal Pradesh
9. Karnataka
10. Kerala
11. Madhya Pradesh
12. Maharashtra
13. Mizoram
14. Odisha
15. Punjab
16. Rajasthan
17. Sikkim
18. Tamil Nadu
19. Telangana

ANNEXURE REFERRED TO IN REPLY TO PARTS (d)&(e) OF THE LOK SABHA UNSTARRED QUESTION NO 3668 FOR ANSWER ON 8TH AUGUST, 2016.**Steps taken by Government to boost Startup programme**

- Startup India Hub was operationalized on April 1, 2016 to resolve queries and handholding support to Startups. The hub has been able to resolve 12,290 queries received from Startups through telephone, emails and Twitter. To seek clarifications pertaining to Certificate of Recognition as a "Startup" by Government of India, 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
- Startup India Hub would soon be launching 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>)
- DIPP has received 808 applications for Startup recognition. Out of these, 227 applications have been accepted and the rest have been requested to submit the required documents and have been referred to Startup India Hub for handholding support
- 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
- In order to augment the existing list of incubators, a module to recognize incubators has been launched. This shall enable incubators to obtain recognition from 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>
- 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 link: http://startupindia.gov.in/upload/List_of_facilitators_for_patents.pdf
- 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)
- 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.
- A new section 80IAC was inserted in the income-tax Act, 1961 to provide for 100% deduction of profit derived by eligible start-up from eligible business for three consecutive years out of five years at the option of the tax payer.

- Amended section 54GB 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 start-up for utilizing the same for purchase of specified asset.
- Inserted a new section 54EE in Income-tax Act, 1961 for providing deduction up to Rs.50 lakhs to capital gains in case the amount of capital gains is invested in units of notified fund setup for financing start-ups.
- For any investment in shares of certain Indian 'startup' companies, by a Indian resident, exceeding the fair market value of shares, the excess amount will not be taxed in the hand of India 'startup' "company as per terms of Notification No.45/2016 of Central Government".
- 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>
- 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 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
- The Insolvency and Bankruptcy Code 2016 has been published which will 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. 6 AIFs have been recommended for funding under FOFs.
- 7 proposals for Research Parks, 16 proposals for TBIs and 13 proposals for Startup centers have been recommended by the National Expert Advisory Committee (NEAC) formed by MHRD. These proposals shall be implemented in the current financial year.
- DIPP has written 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.
- 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.
