

Start Up India to get a running start on Jan 16

ON THE ANVIL Fund-raising norms may be liberalised; support infrastructure to nurture new companies, easier norms among measures likely to be announced

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NEW DELHI: The 'Start Up India, Stand Up India' initiative of Prime Minister Narendra Modi may have proposals on creating a liberal system to raise capital, on special incubation centres and to ease procedures to foster nascent companies in the country.

A detailed plan will be revealed on January 16, in a grand event that will be attended by, among others, Uber Technologies founder Travis Kalanick, Soft-Bank founder Masayoshi Son, Soft-Bank president Nikesh Arora and WeWork founder Adam Neumann. More than 2,000 other leaders from the world of startups and the venture capital industry are also expected to participate.

"The action plan would look at creating an ecosystem involving a combination of capital raising measures and incubation centres which will help start-ups to grow and create jobs in the country," government sources said.

In the past five years more than 80% of the jobs created in the country were by start-ups, according to market estimates. In the US, "all the jobs in the past 37 years, except six years in between, have been created by start-ups," according to Saurabh Srivastava, chairman of Indian Angel Network. In the next few years 10 million jobs will be required and all that will come from start-ups.

The government also plans to use the Atal Innovation Mission (AIM), set up by the NITI Aayog, which is a innovation promotion platform involving academics,



■ Industrialists watch as Prime Minister Narendra Modi addresses an investors' forum. ARUN MONDHE/HT FILES

ENTREPRENEURS ARE LIKELY TO BE SHOWN A PLAN FOR CREATING SPECIAL TRAINING INSTITUTES, INNOVATION LABS AND R&D FACILITIES

entrepreneurs, and researchers, to foster a culture of innovation and research and development (R&D) in India, keeping in mind the suggestions presented by national and international experts across fields. The NITI Aayog might co-head the initiative, along with the department of industrial policy and promotion (DIPP), sources said.

Under the start-up India ini-

tiative, entrepreneurs are also likely to be presented with a plan for creating special training institutes, innovation labs and other R&D facilities to support these businesses and other technologies driven self-employment activities, sources added.

"Life will get so much easier with technology-led innovation... The initiative looks at solving these problems," said Priya Sachdeva, founder of ecommerce platform RockNShop, one of the 200 start-ups chosen to showcase through a one-minute video on how her firm has impacted society.

The initiative will also look at tax breaks on capital gains, easy registration of companies, and other regulatory procedures. "A

start-up cannot be listed because most of them are loss-making. Start-ups should be allowed to do IPOs and raise capital through debt. India's capital market is significantly restricted," claimed Vijay Shekhar Sharma, founder of Paytm.

"A common definition will be given to start-ups for easy association, for taking policy benefits," sources said. Broadly, businesses that are new or have existed for not more than five years with revenue of up to ₹25 crore will be treated as start-ups. "Also, they should be engaged in the development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property," sources said.