

START-UP INDIA PROGRAMME LAUNCHED

Start-Up push: Tax holiday, 10,000-cr fund

Govt to ensure faster registration of patents, bring in new scheme to protect intellectual property rights: PM Modi



Modi with delegates at the Start-Up India meet, Saturday. *Renuka Puri* **FULL COVERAGE, PAGE 16**

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 16

TO PROMOTE a culture of entrepreneurship, the government on Saturday announced a slew of incentives including a Rs 10,000-crore corpus for innovation-driven enterprises, a three-year break from paying income tax on profits, a Rs 500-crore per year credit guarantee mechanism, and exemption from capital gains tax for start-ups.

After a full day of discussions at the launch of the 'Start-up India' programme attended by hundreds of young entrepre-

neurs, Prime Minister Narendra Modi unveiled his government's action plan to help entrepreneurs, and asked them to play a transformative role in India's development.

"We have millions of problems. There is no denying that. But we also have a billion minds. And these billion minds will easily find the solutions to the millions of problems," Modi said in an hour-long address.

Modi had spoken about launching the 'Start-up India' programme in his Independence Day address last year. Promising minimum interference from government, he said start-ups

would be able to self-certify their compliance with nine labour and environmental laws without being inspected, and would receive faster approvals — within a day — through a mobile app that is in the making.

The Prime Minister invited the entrepreneurs to partner the government in the development process, and asked them to look beyond the realm of information technology.

"Start-up is not just about mobiles and laptops... Start-up does not only mean a company with billions of dollars of money and 2,000 employees. If it is able

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Start-Up push: Tax holiday, Rs 10,000-crore fund

to provide employment to even five people, it would help in taking the country forward. Young people have to change their mindsets from being job seekers to try and become job creators. Once you become a job creator, you will realise that you are transforming lives," he said.

Earlier in the day, Finance Minister Arun Jaitley said the government was ready with an "entrepreneur-friendly taxation regime".

"There are some steps which can be taken by notifications, which would be taken forthwith. Others require legislative provisions which can only come as part of the Finance Bill when the next Budget is presented," he said, amidst cheers from the audience.

The cheers grew louder when Modi spoke in the evening, with young entrepreneurs applauding each measure being announced. He spent considerable time talking about the need to reform the patent regime in the country. He said his

government was working on ensuring faster registration of patents, and bringing in a new scheme for the protection of intellectual property rights. The government will set up facilitation centres in several cities to provide free legal support and other assistance to small businesses in filing patent applications.

"There is a need to blend intellectual property (IP) with youth property (YP). We will also give 80 per cent rebate in patent registration fees for start-ups vis-à-vis other companies," Modi said.

Another step the Prime Minister stressed on was ensuring a faster exit arrangement for start-ups that want close their businesses. He said businesses would be able to wind up within 90 days, and suitable provision will be made in the Bankruptcy and Insolvency Bill that is currently in Parliament.

Government procurement norms are also proposed to be relaxed to ensure that start-ups are able to participate and com-

pete with other established businesses. The requirements for minimum turnovers and minimum operating years would be brought down to benefit the start-ups. Modi, however, said that there would not be any compromise with quality. "The zero-effect, zero-defect formula will still apply," he said. New policies to help women entrepreneurs, a credit guarantee scheme, sector-specific incubators, and the establishment of bio-clusters for the biotech sector are some of the other highlights of the action plan.

The Prime Minister said that in line with the exemption available to venture capital funds to invest in start-ups above the fair market value (FMV), investments by incubators above the FMV should also be exempted. He said the Centre would provide 40 per cent funding support, up to Rs 10 crore, for setting up new incubators, while states and the private sector would provide 40 per cent and 20 per cent respectively.

Friendly tax regime for start-ups soon: Jaitley

‘Worked out some steps which can be taken by notifications, which would be taken forthwith ... rest require legislative provisions’



Prime Minister Narendra Modi interacts with start-up founders while Uber chief executive Travis Kalanick (left) holds a conversation with finance minister Arun Jaitley. *Renuka Puri*

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 16

THE GOVERNMENT will soon introduce a tax regime for startups to foster innovation and create a conducive ecosystem for entrepreneurs in the country, finance minister Arun Jaitley said Saturday.

Dropping the first few hints of what the Centre's action plan for start-ups could look like, he said, "We have already worked upon an entrepreneur-friendly taxation regime. There are some steps which can be taken by notifications, which would be taken forthwith. Others require legislative provisions which can only come as part of the Finance Bill when the next Budget is presented."

Jaitley was speaking at the inaugural session of the 'Startup India, Standup India' campaign, organised by the Department of Industrial Policy and Promotion (DIPP), which was also attended by Minister of State

for Commerce Nirmala Sitharaman and World Bank's country director Onno Rühl.

Assuring minimum interference from the government, Jaitley said that the Centre will only play the role of a "facilitator" for startups. "It (government's startup campaign) is going to be the eventual freedom from the State that Indian entrepreneurship will now enjoy. It will only be limited support of the State in terms of its programmes so that there is an easier availability of Capital. A friendly tax regime will be available to ensure there is an unleashing of the energies of an Indian entrepreneur..."

The Centre, he added, will provide startups with an "ultimate break from License Raj" and, in return, hope that young entrepreneurs will emerge as an alternate engine of growth at a time when the global economy posed several challenges.

As proof of the government's intention to play the role of facilitator, Jaitley listed a bunch of achievements since 2014.

SoftBank may scale up planned \$10 bn investment in India

New Delhi: Japan-based SoftBank may scale up its planned investment of \$10 billion in the coming years as the telecom and Internet giant sees the "beginning of Big Bang" for the world's second most populous market.

SoftBank CEO Masayoshi Son said Internet and solar are the sectors that excites him, but wants the government to develop a robust mobile phone infrastructure and resolve slow Internet issues. "If I have said that we will invest \$10 billion in 10 years, we have invested \$2 billion in a year. That's over pacing and I think we will accelerate," he said. **PTI**

Govt working to make start, exit easy for start-ups: Sitharaman

PRESS TRUST OF INDIA
NEW DELHI, JANUARY 16

THE GOVERNMENT is working to make it easy for budding entrepreneurs to start a business or exit from it, giving boost to the Indian startup ecosystem, Union minister Nirmala Sitharaman said on Saturday.

"I understand that starting a startup is as much important as somebody wants to exit from it. The government is working to make the exit also (easy)," Sitharaman said at the 'Startup India' conference here. She said finance minister Arun Jaitley is working "hard" on the Bankruptcy Code. The Insolvency and Bankruptcy Code 2015, which seeks to provide an easy exit option for insolvent and sick

companies, has been referred to a 30-member joint committee of the Members of Parliament for further scrutiny. "I am sure with these (measures), we will be doing the right thing for the startups" so that they stay here in India "and not look at having a domicile somewhere else," she said.

Meanwhile, the government also said patent pendency will be brought down to the same level as in advanced countries like the US and Japan in the next 18 months.

"We have a huge pendency of IPR. We have just recruited about close to a 1,000 patent examiners and we are outsourcing to IITs. "In 18 months time we will bring our patent pendency to exactly the same level as in the US and Japan," DIPP Secretary Amitabh Kant said.

...this strategy for startup India will encourage a large number of young entrepreneurs in the country to come forward with innovative startups

HARSHVARDHAN NEOTIA
FICCI PRESIDENT

This is way beyond our expectation. Its like a budget on steroids... Start-ups don't require money from the government

VIJAY SHEKHAR SHARMA
PAYTM FOUNDER

The intent of the government is right. They (startups) will benefit a lot from the incentives, tax benefits. To what extent is something that will have to be seen

SACHIN BANSAL
FLIPKART CO-FOUNDER

Are deep discounting models required in e-comm.. or is it time to start differentiating and start trying to compete on the quality of services

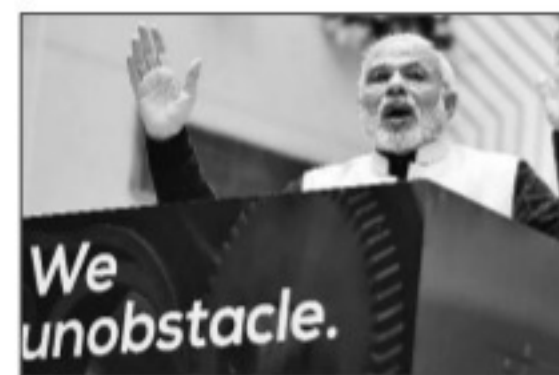
NIKESH ARORA
SOFTBANK PRESIDENT

What is a start-up? This is what the PM is looking for

While the Centre has rolled out a range of benefits such as capital gains tax exemptions, they have not yet clearly rolled out a definition for start-ups and specified which of them would qualify under the scheme.

The Prime Minister in his speech on Saturday, however, gave some hints on what start-ups he is looking for and the areas that he wants the Indian youth to focus on:

- A start-up has to offer a solution to a problem and has to make the task easier for people
- Stating that mostly start-ups are thought to be businesses related to IT and around Apps, the PM said that they have to go beyond IT and innovate.



- While *Jugaad* is an innovation aimed at finding solution to an individual's problem, people need to think how

such innovations can be made scalable.

- Finding solutions to affordable ways of reducing crop wastage and developing software that can be an authority on cyber security, thereby offering solution to the world
- Going beyond e-commerce, providing connectivity to take things like Indian handicraft to the world
- Technology innovation in the field of healthcare that makes it affordable