

We are Creating an Ecosystem to Nurture Startups, Says Kant

ET Q&A

The Start Up India initiative

launched by the Prime Minister Narendra Modi over the weekend has earned **Amitabh Kant**, secretary at the Department of Industrial Policy and Promotion (DIPP), the tag of an evangelist among his peers. In conversation with **Ruchi Ka Chitravanshi**, Kant says he is confident of breaking the clutter, cutting through the red tape and ensuring the smooth progress of the startup movement. Edited excerpts:

The success of the plan hinges on continuous high-level involvement of all stakeholders. Do you think we will be able to sustain this kind of energy going ahead?

We will definitely be able to sustain it. We are all committed to this programme. All secretaries have had several rounds of discussions. We have finalised the action plan after deliberations at the highest level. There was a general consensus that old must make way for the new.

Startup App is a crucial element of

AMITABH KANT
Secretary, DIPP

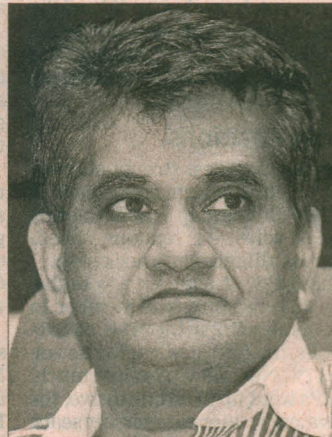
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the entire ecosystem. How soon do you expect this to get rolling and has it been ring-fenced from the usual government red tape?

It will be launched on April 1. We don't believe in red tape. In fact, I am sure that DIPP will crack through all the red tape.

Some of these elements also require similar enthusiasm of the state governments. Do you think that support will be forthcoming?

Five states have already rolled out



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of a process. It has the full commitment of the government. We have thought through the entire lifecycle of a startup and supported them at all the points. From the view point of starting a company to exiting it, issues of financing, incubation to taking these skills right to the school level, at every step we have started a process of creating that ecosystem to nurture startups in India.

Why has the government shied away from directly funding startups through the ₹10,000-crore corpus it has proposed?

The reason is that the government should never get into the business itself. We want to allow the venture capital funds and angel investors to fund. We want them to grow from 100 to 1,000s. They are the ones who have the expertise for mentoring; they do the due diligence. VCs and Angels are going to hold the key to the success of startups in India. The fund of funds will partially support the VCs, but they are the ones who will create an environment for startups to flourish in India.

their policy to enable startups. Once the Prime Minister announced the plan, all the ministries have to swing into action. Our case anyway goes much beyond policy. We realised there was a need to have a plan of action. All states have to therefore get into an action-oriented mode now.

Is the ₹500-crore credit guarantee fund too small for the kind of initiative the government has planned?

This is just a start. It is the beginning