

Startups for tax breaks, single window system

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NEW DELHI: Simplified tax structure, easy compliance process and single window system are some of the issues that startups expect to be addressed through the much-awaited 'Startup India' policy to be unveiled by Prime Minister Narendra Modi on Saturday.

"Ease of doing business is important for any enterprise but critical for startups. With limited resources at their command, they cannot afford to spend too much time, money and effort in navigating a complex environment, populated by archaic laws and a labyrinth of registrations, permits and approvals," Kunal Bahl, Co-founder and CEO, Snapdeal, said.

Saturday's announcement is expected to mark the next phase of growth for entrepreneurship and startups in India. With 4,200 enterprises, India already ranks third in the world for the number of startups after the U.S. and the U.K. With three to four startups emerging every day, this number is expected to reach several thousand by 2020.

Silicon Valley-based Karl Mehta, Founder of EdCast, who is slated to speak at the event on January 16, said India is at an inflection point and needs the talent, energy and dedication of entrepreneurs to fulfil its potential to become a developed nation in the next decade. "I think the event on January 16, will give strategic direction for startups in India," he said.

About India becoming a preferred destination rather than Silicon Valley for entrepreneurs like him, he said, "The internet has united the world and opportunities are available in every part of the world today. I do agree that Silicon Valley is a global brand for "technology and innovation." However, such

STARTUP AGENDA

The much-awaited 'Startup India' policy is to be unveiled by Prime Minister Narendra Modi on Saturday



- Over 2 lakh passes sought for the event
- The venue -- Vigyan Bhawan -- has space for 1,350
- Event to be relayed live



AMITABH KANT, SECRETARY, DIPP

hubs can come up all over the world, wherever there is passion, capital and technology."

Mr. Mehta, who sold his third startup, Playspan, to VISA in 2011 said, all entrepreneurs look for single window clearances, ease of doing business, incentives to develop regions and clarity on taxation structures.

Mr. Bahl of Snapdeal said in India it takes 29 days to start a business, it takes half a day in New Zealand. Likewise, when it comes to bankruptcy, the complete filing process takes approximately 4.3 years in India as compared to only 0.8 years in Singapore.

"The problem in most cases is not the regulation but the red tape that makes compliance difficult despite best intentions. Many start-ups begin their journey here in India but quickly move abroad as they are intimidated by the complexity of regulation in India," he added.

Saurabh Arora, CEO of a healthcare startup, pointed out to the need for creating a one-window system for startups for anything related to

their business while Vir Kashyap, Co-Founder and Chief Operating Officer (COO) at Babajob.com said easing restrictions on SMS and VoIP would enable startups to communicate with their users far more efficiently.

The criteria to qualify for angel funding are stringent, according to Nilotpal Chakravarti, AVP at IAMAI and need to be eased. "In fact, there should be tax breaks and incentives for individuals supporting start-ups with capital. Meanwhile, Innefu Labs' Co-Founder, Tarun Wig, believes India needs to realise importance of innovation in cyber security landscape and follow the example of the U.S. which has established In-Q-Tel and a CIA-funded venture capital firm to invest in technology startups.

Puja Bansal, Founder and Director, Myheera.com said to create an environment that is conducive for growth of startups, the government needs to enable easy availability of loans.