



Startups in Emerging Technology

For Prelims: Startup India Initiative, DPIIT, Credit Guarantee Scheme for Startups (CGSS), National Startup Advisory Council, Startup India Seed Fund Scheme (SISFS)

For Mains: Action Plan for Startup, Various Initiatives related to Startups.

Why in News?

Recently, the Government unveiled **an Action Plan for Startup India** which laid the foundation of Government support, schemes and incentives envisaged **to create a vibrant startup ecosystem in the country.**

What are Details of Programs to Support Startups?

- **Startup India Action Plan:**
 - The Action Plan comprises of 19 action items spanning across areas such as “Simplification and handholding”, “Funding support and incentives” and “Industry-academia partnership and incubation”.
- **Fund of Funds for Startups (FFS) Scheme:**
 - The Government has established FFS with a corpus of Rs. 10,000 crore, to meet the funding needs of startups.
 - **Department for Promotion of Industry and Internal Trade (DPIIT)** is the **monitoring agency** and Small Industries Development Bank of India (SIDBI) is the operating agency for FFS.
 - It has not only made capital available for startups at early stage, seed stage and growth stage but also played a catalytic role in facilitating raising of domestic capital, reducing dependence on foreign capital and encouraging home grown and new venture capital funds.
- **Credit Guarantee Scheme for Startups (CGSS):**
 - The Government has established the CGSS for providing credit guarantees to **loans extended to DPIIT recognized startups** by Scheduled Commercial Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt Funds (VDFs) under SEBI registered Alternative Investment Funds.
- **Ease of Procurement:**
 - **Government e-Marketplace (GeM) Startup Runway** has been developed which is a dedicated corner for startups **to sell products and services directly to the Government.**
- **Support for Intellectual Property Protection:**
 - The Government launched **Start-ups Intellectual Property Protection (SIPP)** which facilitates the startups to file applications for patents, designs and trademarks through registered facilitators in appropriate IP offices by paying only the statutory fees.
 - The Government bears the entire fees of the facilitators for any number of patents, trademarks or designs, and startups only bear the cost of the statutory fees payable.
 - **Startups are provided with an 80% rebate in filing of patents** and 50% rebate in

filing of trademark vis-a-vis other companies.

- **Self-Certification under Labour and Environmental laws:**
 - Startups are allowed to self-certify their compliance under 9 Labour and 3 Environment laws for a period of 3 to 5 years from the date of incorporation.
- **Income Tax Exemption for 3 years:**
 - Startups incorporated on or after 1st April 2016 can apply for income tax exemption.
 - The recognized startups that are granted an Inter-Ministerial Board Certificate are exempted from income-tax for a period of 3 consecutive years out of 10 years since incorporation.
- **International Market Access to Indian Startups:**
 - This has been done through international Government to Government partnerships, participation in international forums and hosting of global events.
 - Startup India has launched bridges with over 15 countries that provides a soft-landing platform for startups from the partner nations and aid in promoting cross collaboration.
- **Faster Exit for Startups:**
 - The Government has notified Startups as 'fast track firms' enabling them to wind up operations **within 90 days vis-a-vis 180 days** for other companies.
- **Startup India Hub:**
 - The Government launched a Startup India Online Hub in 2017 which is one of its kind online platforms for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other.
- **National Startup Advisory Council:**
 - The Government in January 2020 notified the constitution of the National Startup Advisory Council **to advise the Government on measures needed to build a strong ecosystem** for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities.
 - Besides the ex-officio members, **the council has a number of non-official members**, representing various stakeholders from the startup ecosystem.
- **Startup India Seed Fund Scheme (SISFS):**
 - The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 crore has been sanctioned under the SISFS Scheme for a period of 4 years starting from 2021-22.
- **National Startup Awards (NSA):**
 - National Startup Awards is an initiative to recognize and reward outstanding startups and ecosystem enablers that are building innovative products or solutions and scalable enterprises, with high potential of employment generation or wealth creation, demonstrating measurable social impact.
- **States' Startup Ranking Framework (SRF):**
 - States' Startup Ranking Framework is a unique initiative to harness the strength of competitive federalism and create a flourishing startup ecosystem in the country.
 - The major objectives of the ranking exercise are facilitating states to identify, learn and replace good practices, highlighting the policy intervention by states for promoting startup ecosystems and fostering competitiveness among states.
- **Startup India Innovation Week:**
 - The Government organises Startup India Innovation week around the National Startup Day i.e., 16th January.
- **TIDE 2.0 Scheme:**
 - Technology Incubation and Development of Entrepreneurs (TIDE 2.0) Scheme was initiated by **Ministry of Electronics and Information Technology (MeitY)** in the year 2019 to promote tech entrepreneurship through financial and technical support to incubators engaged in supporting ICT startups using emerging technologies such as IoT, AI, Block-chain, Robotics etc.
 - The Scheme is being implemented through 51 incubators through a three-tiered structure with an overarching objective to promote incubation activities at institutes of higher learning and premier R&D organisations.
- **Domain specific Centres of Excellence (CoEs):**
 - MeitY has operationalised 26 CoEs in diverse areas of national interest for driving self-sufficiency and creating capabilities to capture new and emerging technology areas.
 - These domain specific CoEs act as **enablers and aid in making India an innovation**

hub in emerging through democratisation of innovation and realisation of prototypes.

▪ **SAMRIDH Scheme:**

- MeitY has launched the 'Start-up Accelerator Programme of MeitY for Product Innovation, Development and Growth (SAMRIDH)' with an aim to support existing and upcoming Accelerators to further select and accelerate potential software product-based startups to scale.

▪ **Next Generation Incubation Scheme (NGIS):**

- NGIS has been approved to support the software product ecosystem and to address a significant portion of **National Policy on Software Product** (NPSP) 2019.

▪ **Biotechnology Industry Research Assistance Council (BIRAC):**

- An industry-academia interface agency of Department of Biotechnology, Ministry of Science & Technology is supporting biotech startups in all biotech sectors including clean energy and emerging technologies.
- Project based funding is provided to startups and companies for product/technology development under its key Schemes including **Biotech Ignition Grant (BIG), Small Business Innovation Research Initiative (SBIRI) and Biotechnology Industry Partnership Programme (BIPP)**.
- Incubation support to the startups and companies is also provided through Bioincubators Nurturing Entrepreneurship for Scaling Technologies (BioNEST) Scheme.

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