

STARTUP INDIA ACTION PLAN

Scheme	Details	Plus	Minus
Compliance regime based on self-certification	<ul style="list-style-type: none"> Self-certification through mobile app Nine labour laws, including gratuity without any inspection, for three years Three environmental laws 	<p>No inspection</p> <p>Comply with laws according to mandate</p> <p>Random checks possible</p>	Including gratuity, as in normal circumstances, it applies for companies over five years
Start-up India hub	<ul style="list-style-type: none"> Ecosystem in hub-spoke model Collaborate with state and center, VCs, universities, R&D centres Organise mentorship programmes 	Already informal model exists across India	No formal mechanism
Rolling out mobile app and portal	<ul style="list-style-type: none"> The app shall be made available on all leading mobile/smart devices platforms from April 1 Registering start-ups with agencies Mobile app integration with Ministry of Company Affairs 	Promise of simple procedure	Need to upgrade MCA website to handle integration
Legal support and fast-tracking patent examination at lower costs	<ul style="list-style-type: none"> Filing for compliances Launched on a pilot basis for one year Fast tracking start-up IPR shall help file patents Panel to assist patent filing 80% rebate on patent filing 	Will help start-ups build IP-focused innovations	No long-term plans No clarity whether this would also apply for foreign patents
Relaxed norms of public procurement for start-ups	<ul style="list-style-type: none"> Relaxes tender qualifications on prior experience/turnover Includes start-ups in MSME category that get 20 per cent preference in government sourcing 	<p>Would help start-ups to bid for govt contracts</p> <p>Help innovative ideas to scale</p> <p>Need to prove capability to execute</p>	No clarity whether new ideas and processes would be encouraged
Faster exit for start-ups	<ul style="list-style-type: none"> Insolvency for simple structure start-ups in 90 days The Insolvency and Bankruptcy Bill, 2015, presented in Parliament already has the provisions 	If Bill is passed, good start	
Providing funding support through a fund of funds	<ul style="list-style-type: none"> Fund of funds Corpus of ₹10,000 crore ₹2,500 crore investment each year for four years Fund managed by a board LIC as a co-investor 	Not just focused on tech, manufacturing, agriculture included	Clarity on how performance of the fund measured
Credit guarantee fund for start-ups	<ul style="list-style-type: none"> Help flow venture debt from banks Credit guarantee mechanism through National Credit Guarantee Trust Co Corpus of ₹500 crore every year for four years 	Provide credit guarantee for start-ups	Banks should give loans based on business opportunity, not be forced to lend
Tax exemption on capital gains	<ul style="list-style-type: none"> Promote investments into start-ups by mobilising the capital gains arising from sale of capital assets Aimed at suitable incentives for investors to invest in start-ups 		