

1. Recognition

- › 742 Startup applications have been recognized as Startups by DIPP
- › 10 Startups have been approved by Inter-Ministerial Board (IMB) for availing tax benefit

2. Compliance Regime based on Self-Certification

- › List of 36 industries in “white” category has been published on CPCB’s website. CPCB has allowed such industries to self-certify compliance for a period of 3 years under 3 Environment related Acts listed in the Startup India Action Plan
- › Startups have been allowed to self-certify compliance for a period of 3 years in respect of 6 Labour laws; 12 states have confirmed compliance to the advisory issued on 12.01.2016 by Ministry of Labour and Employment (MoLE)
- › Ministry of Skill Development and Entrepreneurship (MSDE) has issued advisory to states to allow Startups to self-certify compliance for a period of 1 year with the Apprenticeship Rules, 1992 of Apprenticeship Act, 1961

3. Startup India Hub

- › 43,000+ queries have been handled by the Startup India Hub
- › 300+ Startups have been mentored for incubation and funding support

4. Rolling out of Mobile App and Portal

- › Startup India portal has been developed to provide access to the following:
 - › Startup recognition
 - › Incubator recognition
 - › Advertising space for Startups
 - › Learning & development module
- › Startup India mobile app has been developed to provide services such as Startup recognition, Incubator recognition, etc. as well as, notifications and information to its users on-the-go

5. Legal Support and Fast-tracking Patent Examination at Lower Costs

- › Panel of over 423 facilitators for Patent and Design and 596 facilitators for Trademark applications has been constituted
- › 179 applications have received rebate of up to 80% on patent fees and have also received legal assistance free of cost
- › 32 Startups have made request for expedited examination, whereas, Trademark facilitation has been extended to 52 Startups.

6. Relaxed Norms of Public Procurement for Startups

- » Relaxed norms for public procurement for micro, small and other enterprises have been provisioned in the Procurement Policy by the Ministry of Micro, Small and Medium Enterprise
- » Department of Public Enterprises, Central Public Sector Undertakings and Department of Expenditure have been authorised to relax conditions of prior experience and prior turnover with respect to MSEs in all public procurements subject to meeting quality and technical specifications

7. Faster Exit for Startups

- » Under the Insolvency and Bankruptcy Code 2016, firms which are recognised as fast track firms by MCA will be able to wind up their business in 90 days as compared to the 180 day period for other firms
- » Liquidation provisions under the code have been notified on 9th December 2016

8. Providing Funding Support through Fund of Funds (FFS) with a Corpus of INR 10,000 crore

- » A Fund of Funds for Startups of INR 10,000 crore shall be released over two Finance Commission cycles, that is, by the year 2025
- » INR 600 crore has been released to SIDBI; INR 500 crore in FY 2015-16, and INR 100 crore in FY 2016-17
- » Total commitments under FFS stand at INR 623.5 crore to 17 AIFs

9. Tax Exemption on Capital Gains

- » Section 54 EE has been introduced under the Finance Act, 2016 which provides for exemption of capital gain arising out of transfer of long term capital asset (not exceeding INR 50 lakhs in a financial year) invested in a fund notified by Central Government
- » Section 54 GB of Income-tax Act, 1961 has been amended to provide exemption from tax on capital gains arising out of sale of residential house or a residential plot of land if the amount of net consideration is invested in equity shares of an eligible Startup for utilizing the same to purchase specified asset.

10. Tax Exemption to Startups for 3 Years

- » In the Union Budget 2017-18, the Government has announced that a Startup would be able to avail income tax exemption for three consecutive assessment years out of a block of seven years, which was earlier five years.

11. Tax Exemption on Investments above Fair Market Value

» Removal of Angel Tax

Under the Income Tax Act, 1961, where a Startup (company) receives any consideration for issue of shares which exceeds the Fair Market Value (FMV) of such shares, such excess consideration is taxable in the hands of recipient as Income from other sources. Tax exemption has been introduced on 14th June 2016 for investments made in Startups above Fair Market Value.

12. Launch of Atal Innovation Mission (AIM)

- » 500 Tinkering Labs are to be established in schools under the Atal Innovation Mission, of which 457 Tinkering Labs have been selected. Each school shall receive an amount of INR 20 lakhs over the next four years
- » INR 12 Lakh each to 220 tinkering labs for the FY2016-17 year has been disbursed
- » 10 new Incubation Centres have been selected for funding support in FY2016-17
- » 6 existing Incubators have been sanctioned for scale-up grant of INR 10 crore by NITI Aayog

13. Building Innovation Centres at National Institutes

- » 10 have Technology Business Incubators (TBIs) have been approved
- » An amount of INR 37.50 lakhs (INR 3.75 lakh each for 10 Startup Centres) has been released as 1st instalment of the grant to the Startup Centres

14. Promoting Startups in the Biotechnology Sectors

- » Under Biotech Equity fund, DBT has sanctioned INR 1 crore each to 3 bio-incubator.
- » 20 bio-incubators have been supported by DBT. 290 start-ups have received benefits from these bio-incubators under various programmes like Biotechnology Ignition Grant, Industry Innovation Programme on Medical Electronics (IIPME), Sparsh, Grand Challenges, BioNEST, etc.

15. Key regulatory issues which have been addressed are as follows:

- » External Commercial Borrowing (ECB) guidelines for Startups: Startups can borrow up to \$3 million or equivalent per financial year, either in rupees, or any convertible foreign currency or a combination of both, for a minimum average maturity period of three years
- » Foreign venture capital investors (FVCI) are now allowed to invest in Startups irrespective of any sector without Reserve Bank of India's approval
- » SEBI (Foreign Portfolio Investors) Regulations, 2014 have been amended to permit FPIs to invest in unlisted Non-Convertible debentures and securitised debt instruments
- » The SEBI Board has approved five key amendments to SEBI (Alternative Investment Funds) Regulations, 2012 with respect to 'Angel Funds':
 - » The upper limit for number of angel investors in a scheme has been increased from forty nine to two hundred
 - » Angel Funds will be allowed to invest in start-ups incorporated within five years, which was earlier 3 years.
 - » The requirement of minimum investment amount by an Angel Fund in any venture capital undertaking has been reduced from fifty lakhs to twenty five lakhs.
 - » The lock-in requirements of investment made by Angel Funds in a venture capital undertaking has been reduced from three years to one year.
 - » Angel Funds are allowed to invest in overseas venture capital undertakings upto 25% of their investible corpus in line with other AIFs.