

## UPSC Civil Services Examination

### UPSC Notes [GS-III]

#### Topic: Startup India

Startup India was a campaign which was first addressed by the PM Narendra Modi on 15th August 2015 at Red Fort, New Delhi. This campaign was introduced under the Government of India as an initiative to develop over 75 startup support hubs in the country. Some of the highlights of the Startup India scheme are listed in the table below:

Startup India Scheme	
Date of launching	16th January 2016
Government Ministry	Ministry of Commerce and Industry
Department	Department for Promotion of Industry and Internal Trade
Launched by	Arun Jaitley (Former Finance Minister of India)

#### What is Startup India Scheme?

Startup India scheme is an important government scheme which was launched on 16th January 2016 with an aim to promote and support the start-ups in India by providing bank finances. It was inaugurated by the former finance minister, Arun Jaitley.



Organized by the Department for promotion of industry and internal trade, the major objective of Startup India is to discard some of the restrictive States Government policies which include:

- License Raj
- Land Permissions
- Foreign Investment Proposals
- Environmental Clearances

The Startup India scheme is based majorly on three pillars which are mentioned below:

1. Providing funding support and incentives to the various start-ups of the country.
2. To provide Industry-Academia Partnership and Incubation.
3. Simplification and Handholding.

## Registration for Startup India

A person must follow the below-mentioned steps that are important for the successful registration of their business under the Startup India scheme:

- A person should incorporate their business first either as a Private Limited Company or as a Limited Liability Partnership or as a Partnership Firm along with obtaining the certificate of Incorporation, PAN and other required compliances.
- A person needs to log in to the official website of Startup India where he/she has to fill all the essential details of the business in the registration form and upload the required documents.
- A letter of recommendation, Incorporation/Registration Certificate and a brief description of the business are some of the essential documents required for the registration purpose.
- Since the start-ups are exempted from income tax benefits, therefore, they must be recognised by the Department of Industrial Policy and Promotion (DIPP) before availing these benefits. Also, they should be certified by the Inter-Ministerial Board (IMB) to be eligible for IPR related benefits.
- After successful registration and verification of the documents, you will be immediately provided with a recognition number for your startup along with a certificate of recognition.

## Startup India Benefits

After the launch of Startup India scheme, a new program was launched by the government named I-MADE program which focused on helping the Indian entrepreneurs in building 1 million mobile app start-ups. The government of India had also launched the Pradhan Mantri Mudra Yojana which aimed to provide financial supports to the entrepreneurs from low socioeconomic backgrounds through low-interest rate loans. Some of the key benefits of Startup India are as follows:

- To reduce the patent registration fees.
- Improvement of the Bankruptcy Code ensuring a 90-day exit window.

- To provide freedom from mystifying inspections and capital gain tax for the first 3 years of operation.
- To create an innovation hub under the Atal Innovation Mission.
- Targeting 5 lakh schools along with the involvement of 10 lakh children in innovation-related programmes.
- To develop new schemes that will provide IPR protection to startup firms.
- To encourage entrepreneurship throughout the country.
- To promote India as a start-up hub across the world.

### Startup India- State Rankings

The result of the first Startup India state rankings was announced by the Department of Industry and Internal Trade on December 2018 based on the criteria of policy, incubation hubs, seeding innovation, scaling innovation, regulatory change, procurement, communication, North-Eastern states, and hill states.

The rankings along with the states have been discussed in the table below:

Startup India State Rankings 2018	
Ranks	States
Best performer	Gujarat
Top performers	Karnataka, Kerala, Odisha, and Rajasthan
Leader	Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, and Telangana
Aspiring leaders	Haryana, Himachal Pradesh, Jharkhand, Uttar Pradesh, and West Bengal
Emerging states	Assam, Delhi, Goa, Jammu & Kashmir, Maharashtra, Punjab, Tamil Nadu, and Uttarakhand
Beginners	Chandigarh, Manipur, Mizoram, Nagaland, Puducherry, Sikkim, and Tripura