START-UP POLICY: STATES' STARTUP POLICY

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Startup India is an initiative of the Government of India.

The campaign was first announced by Indian Prime Minister, Narendra Modi during his 15 August 2015 address from the Red Fort, in New Delhi. The action plan of this initiative is based on the following three pillars:

1. Simplification and Handholding.
2. Funding Support and Incentives.
3. Industry-Academia Partnership and Incubation.

An additional area of focused relating to this initiative is to discard restrictive States Government policies within this domain, such as License Raj, Land Permissions, Foreign Investment Proposals, and Environmental Clearances. It was organized by The Department of DIPP A startup defined as an entity that is headquartered in India, which was opened less than seven years ago, and has an annual turnover less than ₹25 cr. Under this initiative, the government has already launched the I-MADE program, to help Indian entrepreneurs build 1 million mobile app start-ups, and the MUDRA Bank scheme (Pradhan Mantri Mudra Yojana), an initiative which aims to provide micro-finance, low-interest rate loans to entrepreneurs from low socioeconomic backgrounds. Initial capital of ₹200 billion has been allocated for this scheme.

Features:

- 10,000 crore startup funding pool.
- Reduction in patent registration fees.
- Improved Bankruptcy Code, to ensure a 90-day exit window.
- Freedom from mystifying inspections for first 3 years of operation.
- Freedom from Capital Gain Tax for first 3 of operation.
- Freedom from tax for first 3 years of operation.
- Self-certification compliance.
- Create an Innovation hub, under the Atal Innovation Mission.
- To target 500k schools, and involve 1m children in innovation related programmer.
New schemes to provide IPR protection to startup firms.

Encourage entrepreneurship within the country.

**Government’s role.**

The Ministry of Human Resource Development and the Department of Science and Technology have agreed to partner in an initiative to set up over 75 such startup support investments.

Softbank, which is headquartered in Japan, has invested US$2 billion into Indian startups. The Japanese firm has pledged to invest US$10 billion. Google declared to launch a startup, based on the highest votes in which the top three startups will be allowed to join the next Google Launchpad Week, and the final winner could win an amount of US$100,000 in Google cloud credits. Oracle on 12 February 2016 announced that it will establish nine incubation centers in Bengaluru, Chennai, Gurgaon, Hyderabad, Mumbai, Noida, Pune, Trivandrum and Vijayawada.

- UBS in the NITs, IIITs, IISER NIPERs.
- The Reserve Bank of India said it will take steps to help improve the ‘ease of doing businesses in the country and contribute to an ecosystem that is conducive for the growth of start-up businesses.

**Investments**

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**State ranking.**

The result of first ever startup state ranking were announced in December 2018 by the Department of Industrial Policy and Promotion (DIPP) based on the criteria of policy, incubation hubs, seeding innovation, scaling innovation, regulatory change, procurement, communication, North-Eastern states, and hill states.

**2018 Startup State Ranking are as follows**

- 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
State initiatives

Kerala has initiated a government startup policy called "Kerala IT Mission" which focuses on fetching ₹50 billion (US$700 million) in investments for the state's startup ecosystem. It also founded India's first telecom incubator Startup village in 2012. The state also matches the funding raised by its incubator from Central government with 1:1. Telanganahas launched the largest incubation center in India as "T-Hub". Andhra Pradesh has allocated a 17,000-sq.ft. Technological Research and Innovation Park as a Research and Development laboratory. It has also created a fund called "Initial Innovation Fund" of ₹100 crore (US$14 million) for entrepreneurs.1 The government of Madhya Pradesh has collaborated with the Small Industries Development Bank of India (SIDBI) to create a fund of ₹200 crore (US$28 million). Rajasthan has also launched a "Start-up Oasis" scheme. In order to promote start-ups in Odisha, the state government organised a two-day Start-up Conclave in Bhubaneswar on November 28, 2016.

Higher education alliances

As per the "Industry-Academia Partnership and Incubation" focus of the Startup India initiative, the Union Ministry of Human Resource Development has announced plans for the development of "Research Parks" to be created in partnership with higher education providers across India. An initial investment of Rs.100 crore, has been set aside for the program, which aims to provide students with access to funds and mentorship for startups. The Innovation in Mobile App Development Ecosystem (I-MADE) program was also rolled-out in February 2016. An initiative developed in partnership with The Department Of Telecommunications (Govt of India), Telecom Centers of Excellence (TCOE), EVC Ventures, and Unifyed, it aims to help Indian entrepreneurs create mobile app startups. The program is scheduled to last for 5 years, and has collaborated with 11 Indian universities.

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