

#startupindia

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SO WHAT IS START UP?

❖ This plan (START UP) is started by our Prime Minister Mr. Narendra Modi on 16 January 2016.

START UP

❖ Start up is a company which is run by one person or group of persons. These companies generally offer a product or service this is not currently being offered elsewhere in the market or that the founders believe is being offered in an inferior manner.

ELIGIBILITY CRITERIA

FOR ENTITY:

Entity should be:

- A Private Limited Company (Under the Indian Company Act, 2013)
- A Registered Partnership Firm (Under the Indian Partnership Act, 1932)
- A Limited Liability Partnership (Under the Limited Liability Partnership Act, 2008)

OTHER CRITERIA:

- Entity should be a newly formed not reconstructed & age not be more than 5 years old.
- Turnover not exceed 25 crore in any preceding financial year.

BOOM IN THE START UP INDUSTRY

1. Over \$5 billion worth investment in India in 2015.
2. 8 out of every 10 top VC/PE firms in India are foreign.
3. 3 to 4 start ups emerging everyday.
4. India has 3rd position in start up with 4200 enterprises.
5. For Application log in www.startupindia.gov.in

PURPOSES OF START UP

1. Employment
2. Economic Development

FOR THIS:

□ Incubation Centers will be established which will help:

- I. in the Business Plan
- II. in New Ideas
- III. In Funding

FUNDING

UNDER STAND UP INDIA PLAN

- For funding, loan is provided by Nationalize Bank (mostly).
- The loan is a “Non Collateral Loan” i.e. no security required.
- Loan amount is 10 lakh to 1 crore.
- Presently available for ladies, SC,ST.

PURPOSE:

- Provide financial help to SC/ ST groups.
- To encourage SC/ ST, ladies for employment generation and entrepreneurship.

CHARACTERISTICS/BENEFITS:

- Document required:- ID Proof, Registration (i.e. MSME, Sales Tax, Service Tax, if applicable), Project Report, 4 Photos, Electricity Bill, Rent Deed
- Rupay Card and Training with loan.
- Web Portal for online registration and service.

WEBSITE: www.standupmitra.in

DRAWBACKS:

- The profit of this plan is only for a new business.
- Business owners will have to ensure that they are following the guidelines and rules.

BENEFITS OF START UP

1. For first three years, business income will be tax free and no inspection.
2. Self certification based compliance in respect of nine labor laws for next three years.
3. 100% exemption of the profits allowed for 3 out of 5 years for start up set up during April 2016 to March 2019. However, MAT/AMT will apply to them.
4. Up to 4 years, creation of Credit Guarantee Fund of Rs.500 crore
5. 80 % relief in Patent Application Fees.
6. Fast Exit Policy for start up.
7. Creation of Start up through AIM (Atal Innovation Mission)
8. National Award for Innovation.

PROBLEMS/ THREATS FOR START UP

1. Work culture of Government Department, corruption, many licenses, complex process.
2. Power of entrenched corporate, to oppose or kill start ups which challenge them.
3. Lack of clear guidelines, exemptions and delay in getting approvals from government.

FOR ENCOURAGEMENT:

- Ease of doing business
- Relief in subsidy and tax
- Encouragement of SME (Small Medium Enterprises) in start up
- Encouragement of manufacturing sector through “MAKE IN INDIA” campaign.

**“ LEARN
AND
PASS”**

e.g. Classes Conduct in office