



Startup India is a flagship initiative of the Government of India, intended to catalyse startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. It was first addressed by the PM Narendra Modi on 15th August 2015 at Red Fort, New Delhi and launched on 16th January, 2016, these are managed by a dedicated Startup India Team, which reports to the DPIIT.

Vision

To move India towards becoming one of the most vibrant startup ecosystems in the world.

It provides various benefits to startups, such as tax exemptions, financial support, and access to incubators. To avail of these benefits, startups must register with the Startup India program.

Additionally, it is becoming more and more evident that agritech startups can provide relevant and innovative solutions to the challenges faced across the agricultural value chain.

Key Pillars of Support for Startups in Agribusiness

1. Simplification and Handholding

Easier compliance, easier exit process for failed startups, legal support, fast tracking of patent applications and a website to reduce information asymmetry

2. Funding & Incentives

Exemptions on Income Tax and Capital Gains Tax for eligible startups; a fund of funds to infuse more capital into the startup ecosystem and a credit guarantee scheme.

3. Incubation & Industry-Academia Partnerships

Creation of numerous incubators and innovation labs, events, competitions and grants.

Importance of Startup India in Agribusiness

1. Compliance Regime based on Self-Certification: To reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low
2. Startup India Hub: To create a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding
3. Rolling-out of Mobile App and Portal: To serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders
4. Legal Support and Fast-tracking Patent Examination at Lower Costs: To promote awareness and adoption of IPRs by Startups and facilitate them in protecting and commercializing the IPRs by providing access to high quality Intellectual Property services and resources, including fast-track examination of patent applications and rebate in fees.
5. Relaxed Norms of Public Procurement for Startups: To provide an equal platform to Startups (in the manufacturing sector) vis-à-vis the experienced agripreneurs/ companies in public procurement
6. Faster Exit for Startups: To make it easier for Startups to wind up operations
7. Providing Funding Support through a Fund of Funds with a Corpus of INR 10,000 crore
8. Credit Guarantee Fund for Startups: To catalyse agripreneurship by providing credit to innovators across all sections of society
9. Tax Exemption on Capital Gains, Tax Exemption to Startups for 3 years, Tax Exemption on Investments above Fair Market Value

10. Organizing Startup Fests for Showcasing Innovation and Providing a Collaboration Platform: To galvanize the Startup ecosystem and to provide national and international visibility to the Startup ecosystem in India
11. Launch of Atal Innovation Mission (AIM) with Self-Employment and Talent Utilization (SETU) Program: To serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Startup businesses and other self-employment activities, particularly in technology driven areas
12. Harnessing Private Sector Expertise for Incubator Setup: To ensure professional management of Government sponsored / funded incubators, Government will create a policy and framework for setting-up of incubators across the country in public private partnership
13. Building Innovation Centres at National Institutes: To propel successful innovation through augmentation of incubation and R&D efforts
14. Setting up of 7 New Research Parks Modeled on the Research Park Setup at IIT Madras
15. Promoting Startups in the Biotechnology Sector: To foster and facilitate bio-entrepreneurship
16. Launching of Innovation Focused Programs for Students: To foster a culture of innovation in the field of Science and Technology amongst students
17. Annual Incubator Grand Challenge: To support creation of successful world class incubators in India

Funding

- **Startup India Seed Fund Scheme:** Financial assistance to startups for proof of concept, prototype development, product trials, market entry, and commercialization
- **Startup India Investor Connect:** It is a platform that connects startups with investors to facilitate investment opportunities through AI based matchmaking. Through this,

entrepreneurs will be able to directly reach out to multiple investors using one single application and pitch their startup idea.

Agripreneurs who are eligible to apply under the Startup India scheme?

- Any Indian citizen aged 18 or above can apply for the scheme.
- The Date of Incorporation of the company should not exceed ten years
- The Company should have been incorporated as a Partnership Firm, Private Limited Company, or a Limited Liability Partnership (LLP)
- The annual turnover of the company should not exceed Rs.100 crore in any of the financial years since incorporation
- The Company or Entity should have been formed initially by the promoters and not by splitting up or reconstructing an existing business.
- The startup should have a plan for developing or improving a product, process, or service and have a scalable business model with a high potential for creating wealth & employment.

Registration and Approvals of Agribusiness

- Startups are required to obtain approval from the DPIIT
- Recommendation of an incubator from any post-graduation college
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- Recommendation from an incubator recognized by Central Government
- A patent filed and published in the Journals of the Indian Patent Office in the specific area of product service.
- Funding letter from the state government or central government of any scheme to promote innovation

Partnership Share

For partnership startups, 51% of the shares should be owned by a woman or individuals belonging to the Scheduled Caste and Scheduled Tribe

categories. They should not have defaulted on any credit payments.

Focus area for Agri startup

Big Data: Startups are leveraging drones or tractor-based solutions to get data on field, pertaining to both weather and agricultural data to determine risk. Growing smartphone penetration will enable precision decision-making in farming activity to farmers and help drive increased productivity and revenue while reducing unit-costs. Eg.: Agrostar, RML Agtech are in building ground-breaking image recognition technology that enables farmers to receive real-time data on the pest or disease that has affected a crop.

Farming-As-A-Service (FAAS): Agri equipment renting. Eg.: EM3 Agriservices offers farming services and machinery rentals to farmers on a pay-for-use basis. Other startups include, Goldfarm, Ravgo, Oxen Farm Solutions and Farmart.

Market Linkage Models: Innovations to help farmers with timely and accurate estimation of sowing and harvesting in sync with consumer demand patterns. Eg.: MeraKisan.com helps consumers in India to order fresh food and goods sourced from local farmers.

Fintech for Farmers: Farm income is mostly in cash and it presents an opportunity for Fintech startups to digitize payments for farmers through payment gateways linked to their accounts. Such startups can also create the credit profile environment for funders and lenders.

IOT for Farmers: Smart farming in agricultural business including concepts like high-precision crop control, data collection, automated farming techniques will remove inefficiencies and bolster productivity. Information on crop yields, rainfall patterns, pest infestation and soil nutrition can be used to improve farming techniques over time

Others

1. Gramophone
2. CropIn
3. Ekgaon
4. RML
5. Fasal
6. Bijak
7. DeHaat
8. FreshoKartz
9. FarmERP

Conclusion

Startup India is Govt. initiative who are registered under this scheme and benefited by tax exemptions, financial support, and access to incubators.

References

Anupam Anand and Saravanan Raj, 2019, Agritech Startups: The Ray of Hope in Indian Agriculture, National Institute of Agricultural Extension Management (MANAGE), Hyderabad.

<https://www.startupindia.gov.in/>
