National Space Transportation Policy and Space Start-ups

By

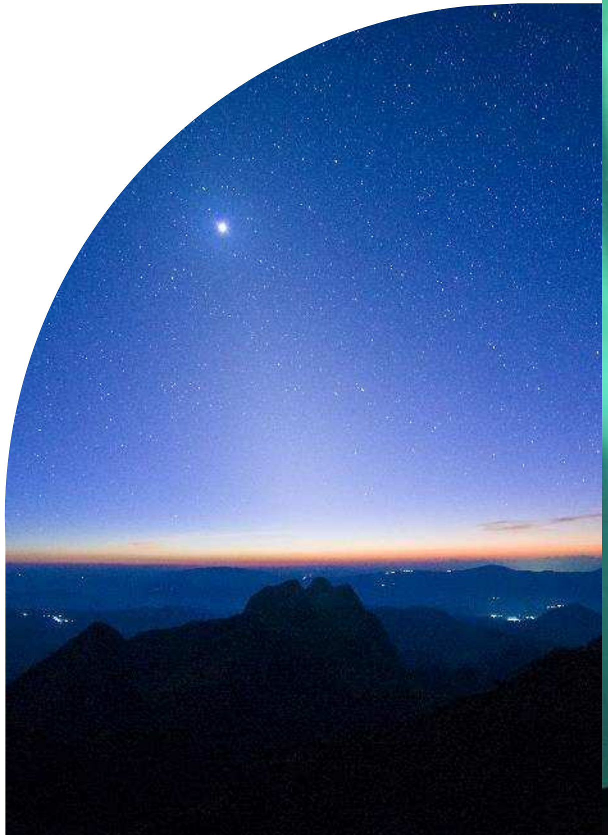
Bangaru Laxmi Jasti,

Research Scholar, Research Associate, NALSAR University of Law.

Agenda

1. National Space Transportation Policy, 2020
2. Start-ups
3. Space Start-ups








Introduction

Space transportation systems consist of various classes of launch vehicles, access to build space infrastructure which can enhance the opportunities in space exploration.

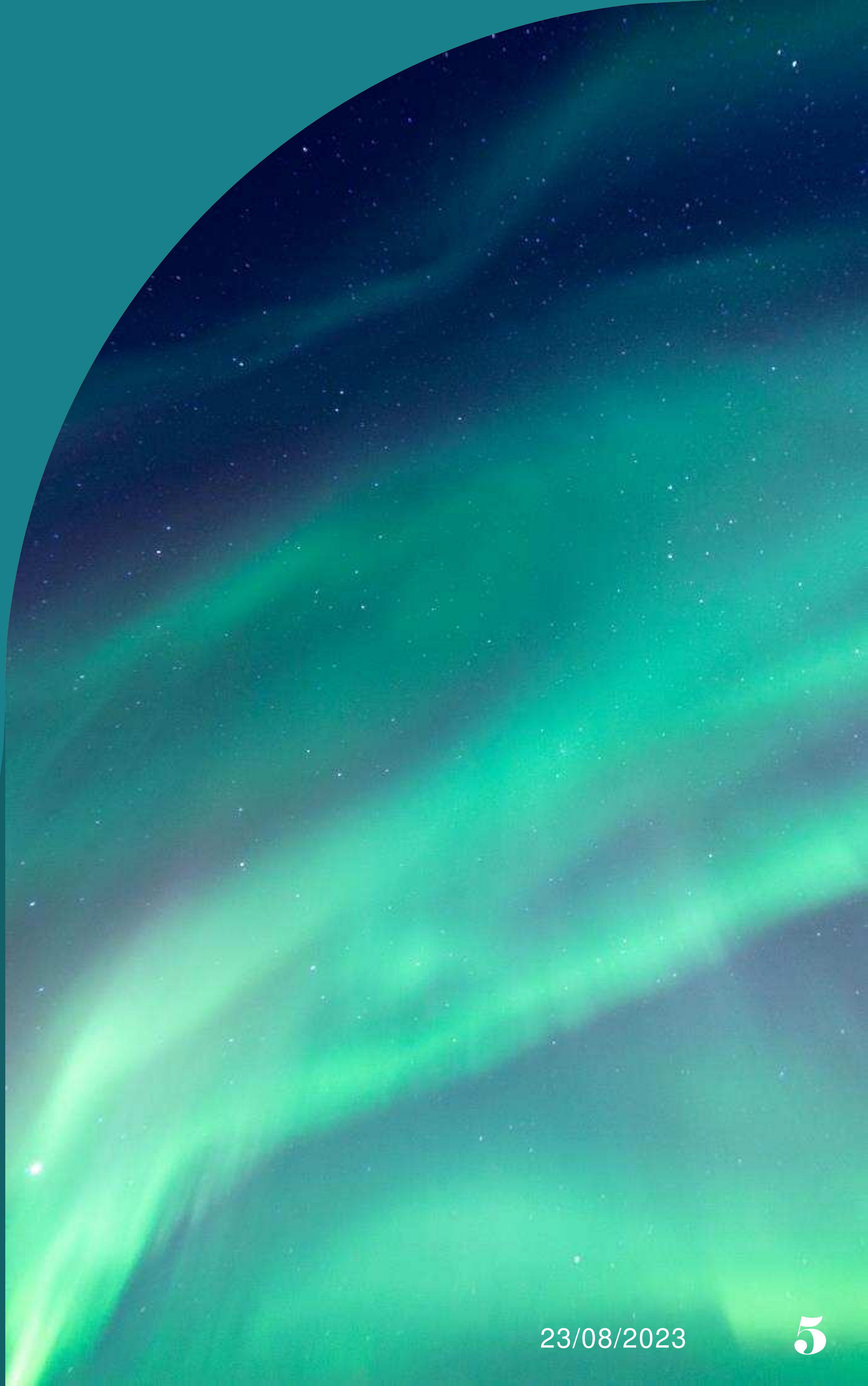
Indian Space transportation policy is witnessing the emergence of new players in private sector specially in the launch related activities of small satellites.

Sustaining independent access to space and the continuous evolution of space transportation capabilities towards human and robotic space exploration along with the commercial exploitation of global opportunities require a robust national space transportation policy

Draft National Space Transportation Policy-2020

- The policy primarily involves the creation of a fertile environment within the country for Indian entities to develop launch vehicles and launch them from the Indian Territory within the framework of international treaties and safety regulations.
- The National Space Transportation Policy enables independent and reliable access to space towards harnessing space technology in the interest of national development, security & sovereignty and also to foster an environment for Indian entities to develop capabilities in space transportation systems and thereby gain a significant position in the global space economy.
- This policy document assures that IN-SPACe will provide a level playing field for private companies and also hand-hold, promote and guide the private industries through a friendly regulatory environment.

Why do we need a space transportation policy?



Objectives

- to unlock the potential of the space sector in the country with respect to space transportation systems.
- to provide opportunities for Indian entities to capture a share of the global launch services market while allowing the Government agencies to accelerate focused R&D to build space transportation capabilities for future space endeavours along with commercial exploitation.

Policy directives -

- Promote and foster an environment within the country for Indian entities to develop capability & capacity in space transportation systems.
- Enable the commercial utilization of the launch capacity and space transportation technologies developed by the Department through its commercial arm.
- Focus on advanced research & technology development towards improving access to space and supporting human/robotic space exploration.
- Engage in mutually beneficial partnerships with international space agencies/technology providers towards the joint development of advanced space transportation capabilities.

Start-ups

What is a start-up?

- A Start-up is a young company founded by one or more entrepreneurs to develop a unique product or service and bring it to market.
- A startup is a newly established company, typically in the early stages of development, that is designed for rapidly growing industries by offering a unique product or service. Startups are often characterized by their innovative and disruptive nature, as they seek to enter and transform established markets.
- The Global Entrepreneurship Monitor (GEM) defines a startup as "a newly created firm that has the potential to grow rapidly and create significant economic value, often through the development of innovative products or services" (GEM, 2021).

Process of creation on start-up

- **Idea**
- Shaping entrepreneurial **Intention**
- **Preparation** – Mobilisation of resources, create competence and organise activities
- **Networking**
- **Entry**
- **Value Creation**
- **Exit**

Steps to create a start-up

- Choosing a legal structure – whether it is sole proprietorship or partnership or limited liability company or a corporation.
- Director Identification Number (DIN) & Digital signature Certificate (DSC) – if registered as company, it must obtain DIN and DSC
- Name and Logo registration – register with registrar of companies.
- Necessary Licenses – different Industries require different licenses
- Business registration – register with registrar of companies or MSME etc.
- Memorandum of Association (MOA) and Articles of Association (AOA) – have to be registered with registrar of companies
- Tax registration – register for PAN/GST/tax identification number
- Open bank account – current business account
- Intellectual property protection – If startup has any IP, protect/register it.
- Compliance with regulations – such as labour laws, environment laws etc.

Why do we require start-ups in India?

- To create India into a job creator’s from job seekers
- New Innovations
- New Ideas make life simpler
- Huge Number of VCs are interested in investing
- Fill the gaps in growth and development in the country
- Government initiatives
- Healthy Competition

Conditions to be fulfilled to be a start-up -

An entity shall be considered as a startup, if it satisfies all the following condition:

a. If it is incorporated/registered as any of the followings:

  a. Private Limited Company (as defined in Companies Act, 2013).

  b. Partnership Firm (registered under Partnership Act, 1932).

  c. Limited Liability Partnership (registered under Limited Liability Partnership Act, 2008).

  d. One Person Company (as defined in Companies Act, 2013).

Provided that such entity is not formed by splitting up or reconstruction of a business already in existence.

b. It has not completed ten years since incorporation/registration as above.

c. Its turnover for any of the financial years has not exceeded INR 100 Crore.

d. It satisfies any of the following conditions:

i) It is working towards:

- Innovation of new products/processes/services or
- Development of new products/processes/services or
- Improvement of existing products/processes/services

ii) It is a scalable business model with a high potential of:

- Employment generation or
- Wealth creation.

Recognition of a start-up by DPIIT

Company (which satisfies the meaning of start-up) may apply to be recognized by Department for Promotion of Industry and Internal Trade (DPIIT) using startup India portal.

Benefits of Start-up recognition by DPIIT

- Various benefits with respect to Intellectual Property Rights (IPR)
- Relaxation in Public Procurement Norms for Startups
- Self-Certification of Compliance with Labour &Environment Laws
- Faster Exit
- Income Tax Exemption under section 80IAC for 3 years
- Flow of Funds for Startups
  - The flow of funds is Government > SIDBI > Venture Capitals > Startups.
- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
- Tax Exemptions on Capital Gains

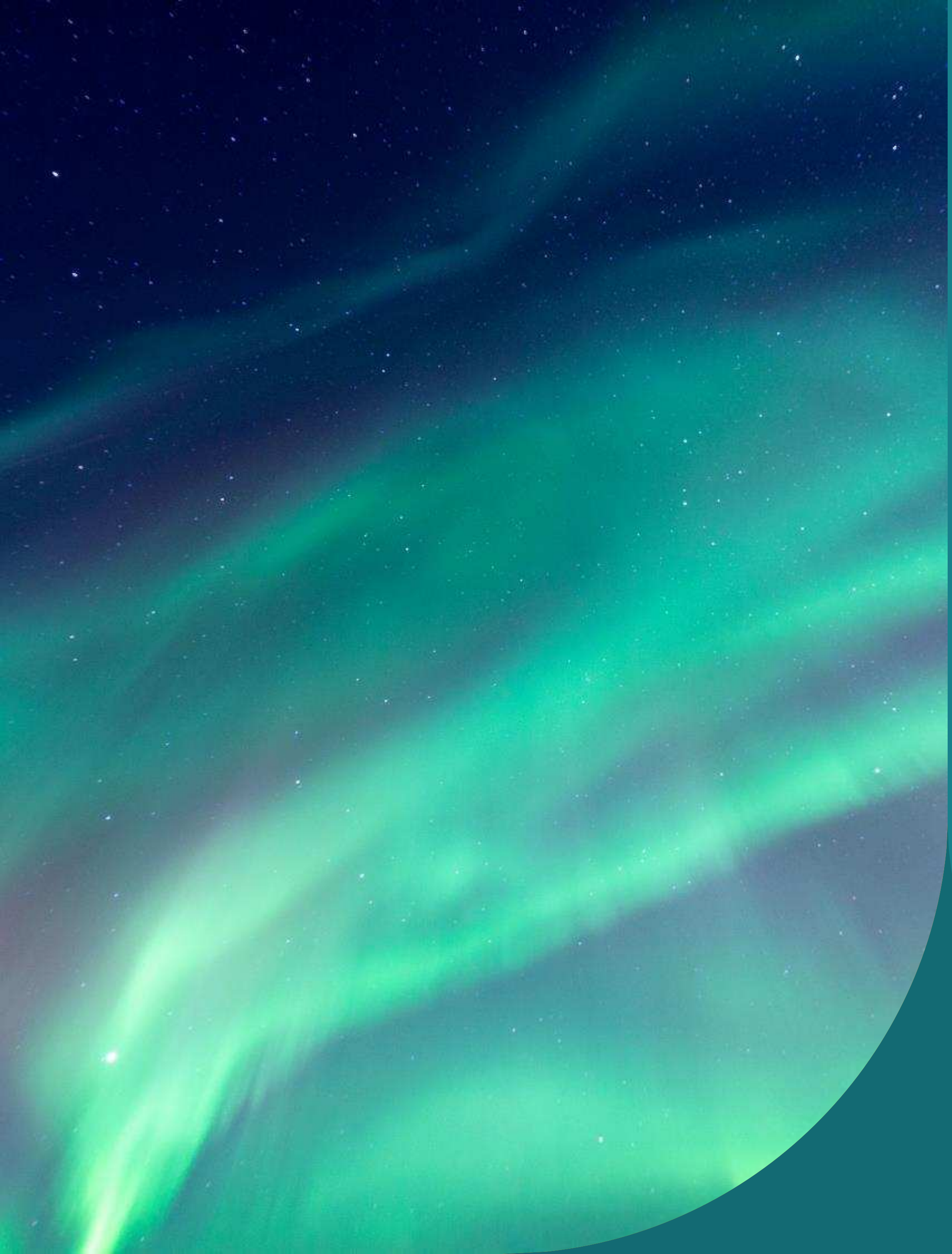
Why do we require space start-ups?

- Agility and Speed
- Innovation
- Cost effectiveness
- Flexibility

- To promote indigenization
- Indian Designed, Developed and Manufactured' (IDDM)
- Aatmanirbhar Mission

What Next?

- Do we have enough laws to regulate the functioning of start-up?
- What is the role of government, when they are providing funds?
- How is data pooled? and data used?
- How are products chosen, when there are multiple products?



Thank You