



Department of Industrial Policy & Promotion  
Ministry of Commerce & Industry  
Government of India

#startupindia

# STARTUP INDIA KIT

Starter Kit for budding entrepreneurs,  
visionaries and dreamers!

**Dated: 26 February, 2018**

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# Benefits from Startup India

## **Startup India recognition benefits**

### **✔ DIPP Recognised**

- ▶ IPR Benefits
- ▶ Relaxation in public procurements norms
- ▶ Self-Certification under Labour & Environment laws
- ▶ Fund of funds for startups
- ▶ Faster exit for startups

### **✔ IMB Certified**

- ▶ Tax Exemption for 3 years
- ▶ Tax Exemption on Investment above Fair Market Value

## **Startup India Hub**

### **✔ Resources**

- ▶ Learning and Development Program
- ▶ Government Schemes
- ▶ State policies for startups
- ▶ Pro bono Services
- ▶ Knowledge Bank
- ▶ Tools and Templates
- ▶ Market Research Reports
- ▶ Networking & Forum Discussions

### **✔ Ecosystem**

- ▶ News
- ▶ Events and Competitions

### **✔ Facilitation and Handholding**

## **Glossary**

- ▶ Definitions and terms

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# WHAT IS A STARTUP?

*As per the revised notification (G.S.R. 501 (E)) published on 23rd May 2017, an entity shall be considered as a Startup:*

- ✔ If it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India; and
- ✔ Up to seven years from the date of its incorporation/ registration; however, in the case of Startups in the biotechnology sector, the period shall be up to ten years from the date of its incorporation/ registration; and
- ✔ If its turnover for any of the financial years since incorporation/ registration has not exceeded Rupees 25 crores; and
- ✔ If it is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

Provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered a 'Startup'.



“Never dream of becoming something, if you dream, dream of doing something.”

**Shri Narendra Modi**  
**Hon'ble Prime Minister of India**

# Startup India Benefits

## Get DIPP Recognised!

Startups can apply and get recognized by Department of Industrial Policy and Promotion and avail the benefits mentioned below. To get your startup recognized click on the following link:

 <http://bit.ly/2zaTxvp>



7,500+  
Startups  
Recognised

## IPR Benfits

To promote awareness and adoption of IPRs by Startups and facilitate them in protecting and commercializing the IPRs, Startup India provides access to high quality Intellectual Property services and resources, including:

- ◆ **Fast-tracking of Startup patent applications:** The patent application of Startups is fast-tracked for examination and disposal
- ◆ **Panel of facilitators to assist in filing of IP applications:** A panel of Facilitators is responsible for providing general advisory on different IPRs as also information on protecting and promoting IPRs in other countries.
- ◆ **Government to bear facilitation cost:** Central Government bears the entire fees of the facilitators for any number of patents, trademarks or designs that a Startup may file, & Startups only bear the cost of the statutory fees payable.
- ◆ **Rebate on filing of application:** Startups are provided an 80% rebate in filing of patents vis-à-vis other companies. This helps them pare costs in the crucial formative years. 50% rebate is also provided in filing of Trademarks vis-à-vis other companies.

Want to protect your innovative idea? Visit the below link to contact the IPR facilitators!

 <http://bit.ly/2kEnlbP>



**1,200+**  
Applicants Received  
Fee Benefits



**1,000+**  
IPR  
Facilitators

## Relaxation in Public Procurement Norms

DIPP recognised Startups can now get listed as Sellers on the Government of India's largest e-procurement portal – Government e-Marketplace! They are entitled to avail exemption on:

- ◆ Prior Turnover and Experience requirements
- ◆ Earnest Money Deposit requirements



Get recognized and click on the below link to get listed as a seller and avail the benefits!

 <http://bit.ly/2FnIvVL>

Know more about the government tenders from the below link.

 <http://bit.ly/1Bny8Me>

## Self-Certification under Labour and Environment Laws

To reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low, Startups are allowed to self-certify their compliance under 6 Labour and 3 Environment laws for a period of 5 years from the date of incorporation.

To apply for labour law certificate, access the Shram Suvidha portal on the below link:

 <http://bit.ly/2vAVvR0>



**23 States** Complied for  
Offering Self-certification to Startups  
Under **6 Labour Laws**

In respect of 3 Environment laws, units operating under 36 white category industries (as published on website of Central Pollution Control Board) do not require Environment clearance under 3 Environment related Acts for 3 years.



**36 Industries** Classified as  
White Categories, Where Startups will  
not Require **3 Environmental  
laws'** Clearances

## Fund of Funds for Startups

To provide equity funding support for development and growth of innovation driven enterprises, the government has set aside a corpus fund of 10,000 crores managed by SIDBI. The Fund is in the nature of Fund of Funds, which means that the Government participates in the capital of SEBI registered Venture Funds, who further invest in Startups.

To contact the various AIFs for funding support, follow the below mentioned link:

 <http://bit.ly/2qYnBDL>



**INR 900 Cr.+** Committed to  
**22 VC Firms**  
**400+ Cr.** invested in **97** startups

## Faster Exit for Startups

MCA has notified Startups as 'fast track firms' enabling them to wind up operations within 90 days vis-a-vis 180 days for other companies. An insolvency professional shall be appointed for the Startup, who shall be in charge of the company for liquidating its assets and paying its creditors within six months of filing an application in this regard.

For MCA guidelines on winding up, click on the below link:

 <http://bit.ly/2p97CG8>

## IMB Certified

The Inter-Ministerial Board validates the innovative nature of the business for granting tax related benefits and is constituted by representatives from DIPP, DBT, DST and MEITY. Startups incorporated on or after 1st April 2016 can apply for tax benefits and such innovative applications are then moderated by the Inter Ministerial Board before granting the the certificate of eligibility. To apply for tax benefits, click on the following link

 <http://bit.ly/2zaTxvp>

## Tax Exemption for 3 years

The profits of recognised Startups that are granted an Inter-Ministerial Board Certificate are exempted from income-tax for a period of 3 years (out of a block of 7 years). This fiscal exemption is aimed at facilitating growth of business and meeting the working capital requirements during the initial years of operations



## 86 Startups Received

Tax Benefits

## Tax Exemption on Investment above Fair Market Value

If a Startup, having certificate from the Inter-Ministerial Board Certificate, receives any consideration for issue of shares that exceeds the face value of such shares, then the aggregate consideration received for such shares as exceeds the fair market value of the shares is exempted from tax.

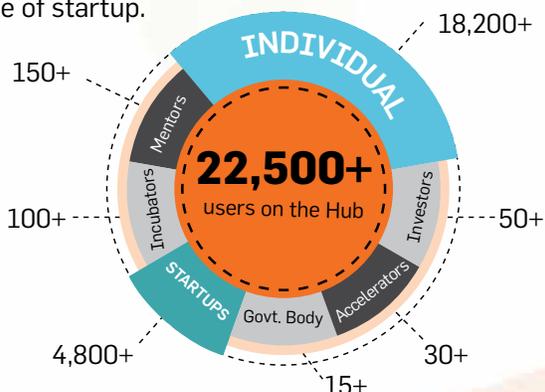
“Startup is the process which starts with a new thinking and commitment to do something different.”

**Shri Suresh Prabhu**  
Hon'ble Minister of Commerce and  
Industry, Government of India



# Startup India Hub

Welcome to Startup India Hub - a one-stop platform for the entire startup ecosystem! We exist to guide you through your entrepreneurial journey with resources curated according to your industry of choice, location and stage of startup.



## Resources

### Learning and Development Program

Start with an idea, end with a business plan!

The website hosts a variety of courses which broadens the vision of budding entrepreneurs and guides them through the journey of their Startup venture. The program covers lessons on key areas of starting up by 40+ top founders of India in an extensive 4-week program. Not just that, upon completion of the course, the apprentice receives a certificate acknowledging their effort and certifying their learnings in the program.

Start your free course today from the following link:

 <http://bit.ly/2faciqU>



**1.9 Lac +** People Aailed the Course  
**8200+** Completed the Course

### Government Schemes

Many government departments are working to promote entrepreneurship in India. Startup India has collated various schemes from various ministerial bodies at one place to facilitate and save your time from jumping between websites!

Explore the various government schemes here:

 <http://bit.ly/2rvwfwA>

For any queries please call us on **1800115565** or drop us an email at **dipp-startups@nic.in**



### State Government Policies

Startup India presents to you a list of 17 state government policies who offer benefits to Startups! Startups and entrepreneurs across these states can access the policy documents, website links and contact details of the respective nodal agencies.

Know more about these policies from the following link:

 <http://bit.ly/2xpirsk>

### Pro-Bono Services

In our endeavor to make starting up easy for startups, we bring you the best of some relevant services out there in the market free of cost, only for you. We have collaborated with leading corporates, the likes of Amazon Web Services, Zoho, Vakil search and others to bring you these services. Whether you want to build an app, use cloud credits or get cloud telephony services, everything here is free of cost for you.

Avail these Pro-Bono Services here:

 <http://bit.ly/2yWi7wD>



**\$2,00,000+** worth Cloud Credits dispersed to startups!



**4000+** apps created for the startups!



**200+** entrepreneurs used Zoho One!

## Knowledge Bank

Registering a company is not a cake walk if you do not know the legalities. Startup India provides a knowledge bank detailing the requirements for starting a business in India; be it registering a company, filing IPRs, complying to tax policies or understanding the investor landscape in India! Startup India has got you covered and you do not need to spend time surfing the internet or gain information from disintegrated sources!

To access the knowledge bank, click here:

 <http://bit.ly/2t1kvyH>

## Tools And Templates

So that you can focus on what is really important to your business, we have a wide range of templates ranging from lease agreements to employment contracts available to you free of cost. You'll need less than two minutes to customize this for yourself using our document builder, read more about it here:

 <http://bit.ly/2ByInmM>

## Market Research Reports

We understand the depth of knowledge you would require about your industry to scale new heights. We bring to you the latest market research reports by leading publishers such as Tracxn, Inc42 and NASSCOM. These are available for your perusal here:

 <http://bit.ly/2BZiSu3>

## Networking And Discussion

All members of the startup ecosystem – Startups, investors, mentors, incubators, accelerators and government bodies can connect with each other on this platform. The platform provides the eco system stakeholders with the opportunity to discuss – express and opine on the forum through discussion threads – blogs and one to one messaging.

# Ecosystem

## News

We understand the importance of cross-pollination of ideas and with that in mind, we provide you up to date news on the latest happenings in the eco system. You can check this section here:

 <http://bit.ly/2p9n1q9>

## Events and Competitions

Find out about all the Start-up related events relevant to you and a plethora of opportunities in the form of competitions with partners ranging from Private institutes to government ministries. Read all about it here:

 <http://bit.ly/2COI6bm>

# Facilitation and Handholding

Startup India provides bespoke handholding to startups on various aspects such as policy advocacy, regulatory support, investor connect etc. Facilitation gamut can be segregated into two fragments

## 1) Basic Facilitation

Basic Facilitation addresses queries such as policy clarifications, policy feedback, technical issues and other basic queries. These queries are addressed through various medium such as Call centre, Startup India Team, social media handles (e-mail, twitter, Facebook) and virtual hub

## 2.) Full Facilitation

Full facilitation addresses queries such as business plan advisory, incubator applications, financial advisory, regulatory advisory and government connects. A dedicated facilitation officer is assigned to each case for providing a detailed handholding to each Startup

Drop us an email at **dipp-startups@nic.in** for handholding and facilitation support.

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# Glossary

**Accelerator:** An accelerator takes a set amount of seed equity from a number of young startups in exchange for capital and mentorship. Accelerators will bring a cohort of start-ups in what is typically an on-site program which lasts for three to four months.

**Angel Group:** An angel group is a network of angel investors who invest collectively in small startups or entrepreneurs. They typically invest in angel, seed, and sometimes Series A rounds.

**Angel:** Angel rounds are the first round a company may go through. Angel investors, friends, and/or family may invest in an angel round to get a new company off the ground.

**Corporate Venture Capital:** A Corporate Venture Capital firm is an arm of a corporation, where the investment funds come from the corporation, providing capital to invest in innovative start-up companies.

**Convertible Note:** A convertible note is an 'in-between' round funding to help companies hold over until they want to raise their next round of funding. You will typically see convertible notes after a company raises a Series A but does not yet want to raise a Series B.

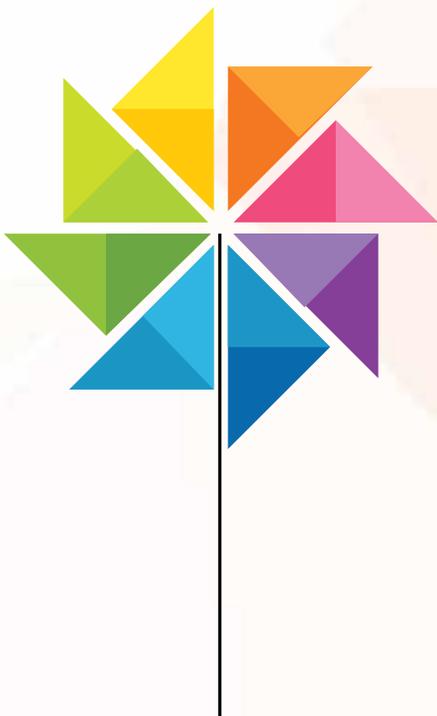
**Corporate Venture Capital:** A Corporate Venture Capital firm is an arm of a corporation, where the investment funds come from the corporation, providing capital to invest in innovative start-up companies.

**Co-Working Space:** A co-working space is a company that provides a shared working environment for teams working typically for different employees, typically in an office. No equity is taken from companies that work in a co-working space.

**Debt Financing:** Debt financing rounds are where firms will lend money to a company. In exchange, a company will promise to repay the principal as well as added interest on the debt.

**Equity Crowdfunding:** Some funding platforms will allow their user base to invest in companies in exchange for equity. Companies allow investors to invest typically small amounts of money in exchange for equity. Syndicates are formed to allow an individual to take a lead on evaluating an investment, and pooling funding from a group of individual investors.

**Family Investment Office:** A Family Investment Office is a fund of an ultra-high-net-worth investor family. They typically do one-off investments.





**Fund of Funds:** A Fund of Funds is an investment strategy where firms will hold a portfolio of other investment funds rather than investing directly in bonds, stocks, or other types of securities.

**Funding Platform:** A Funding platform is an online service that represents companies that are seeking investment. Through the platform, investors are able to buy equity in exchange for capital.

**Government Office:** A government office may invest in startups in their municipality, district, state, or country. They may or may not take equity in companies in exchange for capital and/or mentorship.

**Grant:** A grant is when a company, investor or government agency will give capital to a company and does not take equity in a company.

**Hedge Fund:** A Hedge Fund is a private investment partnership that invests for wealthy individuals or institutions. They will typically invest in private equity rounds, or late stage venture rounds (Series D or beyond).

**Incubator:** An incubator brings in an external team to manage an idea that was developed inside the incubator. An incubator will also take a larger amount of equity in contrast to accelerators.

**Initial coin offering (ICO):** ICO is an unregulated type of crowdfunding via use of cryptocurrency as capital. In an ICO, a percentage of the newly issued cryptocurrency is sold to investors in exchange for legal tender or other cryptocurrencies such as Bitcoin.

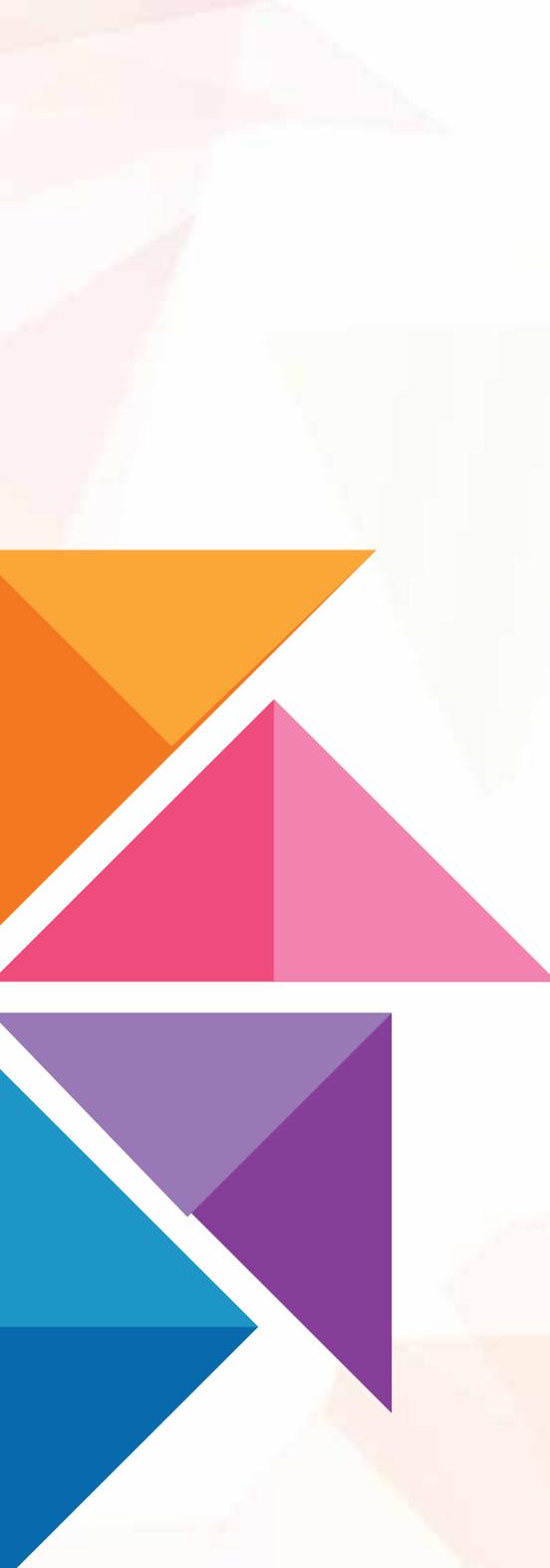
**Investment Bank:** A bank that purchases newly issued shares and resells them to investors. When they do invest directly in companies, it will typically be in Post-IPO Equity or Private Equity rounds.

**IPR:** A right that is had by a person or by a company to have exclusive rights to use its own plans, ideas, or other intangible assets without the worry of competition, at least for a specific period of time. These rights can include copyrights, patents, trademarks, and trade secrets.

**Micro-VC:** A micro-VC invests in startups and typically has a fund size less than \$100M. Micro-VCs are a type of Venture firm that focuses on early stage seed and Series A investments.

**Non-Equity Assistance:** A non-equity assistance round is when a company or investor provides office space or mentorship and does not get equity in return.

**Non-Equity Program:** A non-equity program invests mentorship, office space and/or goods and services. They do not receive equity. They might have corporate sponsors, who are able to engage with the startups in the program.



**Post-IPO Debt:** Post-IPO Debt round takes place when firms loan a company money after they have already gone public. Similar to debt financing, a company will promise to repay the principal as well as added interest on the debt.

**Post-IPO Equity:** Post-IPO Equity round takes place when firms invest in a company after they have already gone public.

**Private Equity Firm:** A private equity firm is an investment management company. When they do invest in startups, it is typically in the private equity, or later stage venture rounds (Series C and beyond).

**Private Equity:** A private equity round is led by a private equity firm or a hedge fund typically and is a late stage round. It is a less risky investment and the rounds are typically upwards of \$40M+.

**Product Crowdfunding:** A product crowdfunding round is where a company will provide its product in exchange to raise capital. This kind of round is also typically completed on a funding platform.

**Round:** A round is a general term for a funding round used when no other funding type seems appropriate.

**Secondary Market:** Secondary market rounds are when stocks are sold in a company from a shareholder rather than purchasing stock directly from the company. This can happen before a company goes public, and is rarely announced or publicized.

**Secondary Purchaser:** A Secondary Purchase is a purchase of stock in a company from a shareholder rather than a purchase of stock directly from the company. This can happen before a company goes public, and is typically not publicized.

**Seed:** Can range between \$10K-\$2M, though larger seed rounds have become more common in the last ten years. Seed rounds are one of the first rounds of funding. They typically come after Angel rounds (if applicable), but before any of the Series rounds.

**Startup Competition:** Startup Competitions are held by a variety of companies, government offices, and firms. The prize for many startup competitions will be capital with no equity component.

**Technology Transfer Office:** An office typically a part of a company, university or governmental organization which is dedicated to research which has potential commercial interest.

**University Program:** Many universities have programs dedicated to entrepreneurship. Their services range from supporting entrepreneurs with capital or mentorship.

**Venture Capital:** Venture Capital firms invest in startups at a variety of stages, ranging from seed to Series A and beyond. Venture Capital firms take equity in exchange for capital, seeking to invest in firms from the earliest stage Series A, through to later stages as the company grows. Venture firms typically lead only a single round, and cede to other investors for the next round, to avoid conflicts of interest in pricing the next round.

**Venture Debt:** Venture Debt firms provide capital in exchange for a loan (plus interest) to be paid back at a later date.

**Venture:** A Venture round encompasses our Series A, B, C, D, E, F, G, H rounds. You can select a more specific Series by selecting 'Venture' under 'Funding Type'.

Series A-B are funding rounds for earlier stage companies and can range anywhere from \$1M-\$20M.

Series C funding rounds and onwards are for later stage and more established companies and can range anywhere from \$10M+.

# Queries Resolution Statistics



Top states with startup queries:

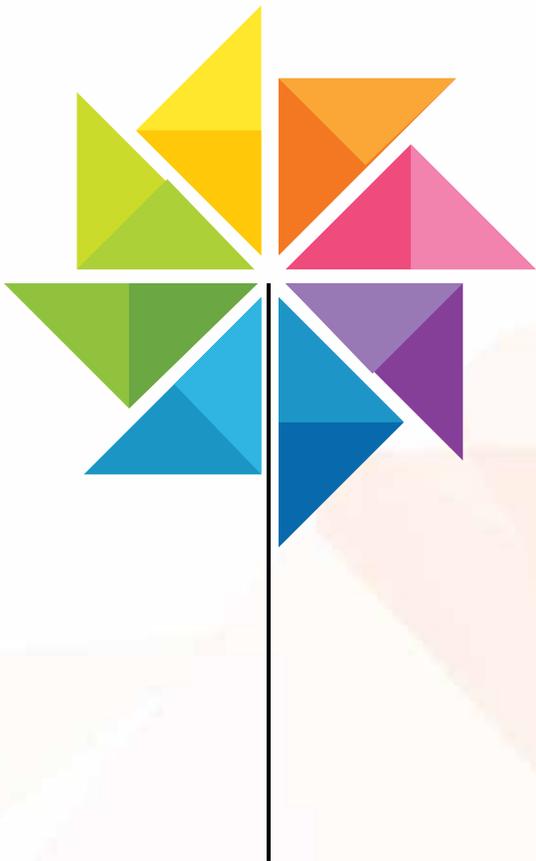
**MAHARASHTRA**

**UP**

**DELHI**

**KARNATAKA**

**GUJARAT**



## CALLS

63%

Hindi

36%

English

1%

Oriya

We understand that the journey of an entrepreneur is filled with stumbling blocks and challenges. To ease your startup experience, we are eager to assist you through a query resolution system. Please feel free to call us on **1800115565** or drop us an email at **dipp-startups@nic.in** for any query, concern or suggestion!