



# INDUSTRIAL ETHICS

## Unit-3

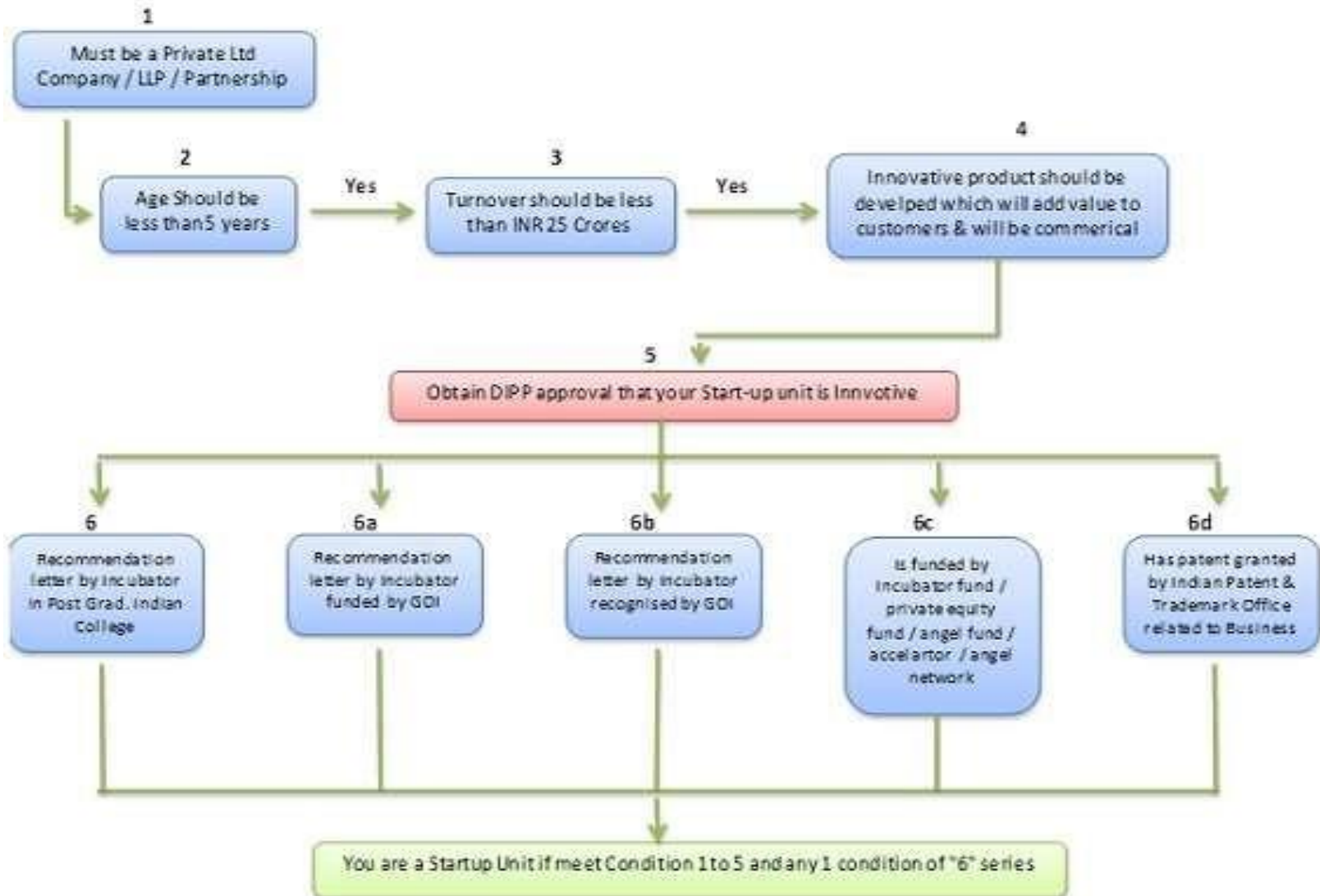
### Lecture : STARTUP



# WHAT IS 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.
- 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.
- If its turnover for any of the financial years since incorporation/ registration has not exceeded Rupees 25 crores.
- 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.

# WHAT IS A STARTUP?





## • IPR Benefits

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

### **Fast-tracking of Startup patent applications:**

The patent application of Startups is fast-tracked for examination and disposal

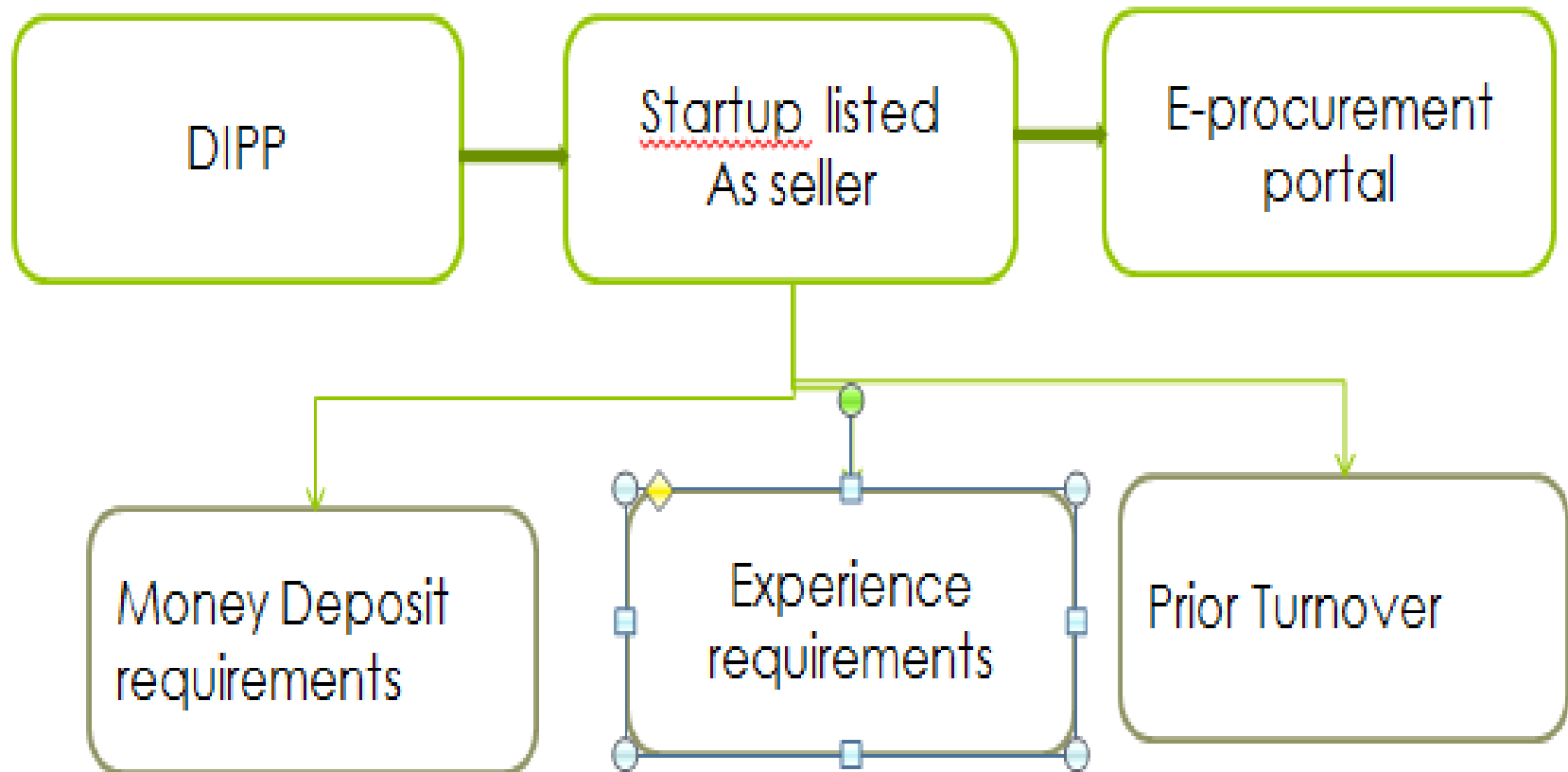
### **Panel of facilitators to assist in filing of IP applications:**

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.

- Relaxation in Public Procurement Norms





## • 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



## **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.



# 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.





# 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.



- **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 certificate of eligibility.



- **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

- **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.



# RESOURCES FOR STARTUPS

- **Learning and Development Program**





# RESOURCES FOR STARTUPS

- **Learning and Development Program**

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.



- **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!

- **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.



- **Pro-Bono Services**

In our endeavour 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.

- **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!



- **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.

- **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.





# 10000 STARTUPS

- 10,000 Startups aims at building a cross-collaborative platform to enable startups to grow to the next level by leveraging our network of investors, mentors, industry experts, and enterprises.
- **FAME MODEL**(Funding, Acceleration, Mentoring, and Enterprise connects)

The 10,000 Startups FAME model is designed to facilitate the ideal connection between startups and Funders, Accelerators, Mentors, and Enterprises with complementary requirements, so that they may mutually benefit from each other



# 10000 NASSCOM

- **Funding:** The NASSCOM 10,000 Startups programme helps shortlisted startups raise money from a wide range of investors-angels, micro VCs, VCs, and Government funds.
- **Acceleration:** Once shortlisted for the programme, startups can work with the top accelerators. The NASSCOM 10,000 Startups programme presents unprecedented opportunities and a fast track into the top accelerators for shortlisted startups.
- **Mentoring:** Focused group workshops are held for the shortlisted companies on Product Management, Go-to-Market Strategy, Pitching and Industry Insights from the experts.
- **Enterprise connect:** Shortlisted startups get opportunities to showcase their product to top executives across industries and explore strategic partnerships, alliances, M&As , etc., and



# PROGRAMS AND EVENTS

Apart from the FAME framework, we also offer a number of programs and events that are designed to help deserving startups through various stages of their growth

- **Warehouse Program :-**

The Warehouse Program is the perfect package to provide fledgling companies with everything they'll need for the initial stages of their startup journey, from a physical workspace and furniture, to expert guidance and networking opportunities.

**Eligibility Criteria**

Only startups with a minimum viable technology product are eligible to apply for this program. It is strongly suggested that the product be beyond its ideation phase.

- **Virtual program :-**

Our Virtual Program is designed to help growth-stage startups that have their own workspaces take their business to new heights. The program creates the optimal environment for such startups to scale up by providing support in the form of a startup kit, and connecting the company with our widespread network of evaluators and mentors, who are also investors, accelerators, and industry veterans.

**Eligibility Criteria :-**

Startups in the growth stage that have a reasonable amount of traction with a product already out in the market may apply for the Virtual Program.



# NASSCOM Industry Partnership Program

NASSCOM is India's largest industry-backed corporate innovation program. The NASSCOM Industry Partnership Program (NIPP) seeks to foster sustained engagement between large corporations and innovative technology ventures in India.

## BENEFITS:-

- Direct fast access to senior executives
- Branding / PR evangelism
- Access to executive mentoring, early technology, and deep expertise
- Access to strategic investments and grants
- Faster access to global markets and JV/OEM/partnership options
- Participate in customer showcases, events, speaking opportunities, and delegations



# NIPP Partners





## **Rockstar program:-**

The Rockstar Program is designed with the intent of making India a tech- innovation hub in the global arena. It will bring to the limelight innovations with disruptive potential, helping them gain worldwide recognition and trust.

## **RECOMMENDED CRITERIA :-**

- An IT product company incorporated in India whose product development is carried out in India or outside
- An IP-backed company involved in technology product or technology platform, with the focus being on SaaS, IoT/robotics, blockchain, AI/ML/deep learning, and AR/VR
- A company that has a commercialised product with paying customers
- A company that stands out in emerging technologies with the domain focus being health, finance, retail, education, and enterprise



# Nasscom Gaming Forum

NASSCOM<sup>®</sup> is India's premier trade body and chamber of commerce for the IT industry, and the NASSCOM Gaming Forum (NGF) was set up ten years ago to provide a common platform to share best practices and knowledge to developers and businesses within the Indian gaming industry, especially the burgeoning indie game dev community.

## **NASSCOM Game Developer Conference (NGDC)**

The NASSCOM Game Developer Conference (NGDC) is India's primary platform for creators and enthusiasts of computer, mobile, console, web, and social games to showcase, inspire, learn, and interact.



# Nasscom Gaming Forum

- **NASSCOM Game Developer Conference (NGDC)**
- **NGF Awards:-**
  1. Student game of the year
  2. Indie game of the year
  3. Studio Game of the Year
  4. Upcoming Game of the year
- **BYOG**
- **Incubation services**
- **Game Jam Titans**





LOVELY  
PROFESSIONAL  
UNIVERSITY



सत्यमेव जयते  
Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Government of India

#startupindia





**Launched by**  
**Shri Narendra Modi**  
Hon'ble Prime Minister of India  
16<sup>th</sup> January 2016

**“Startup India Hub will be a single point of contact for the entire ecosystem and enable knowledge exchange and access to funding”**

**- Startup India Action Plan , Jan 2016**

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**CURRENT  
ECOSYSTEM**

- Bring all stakeholders to a common platform
- Value proposition for all stakeholders

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**GROW THE  
ECOSYSTEM**

- Connect with global ecosystem
- Stimulate others to join the ecosystem

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**FACILITATE  
STAKEHOLDERS**

- Access to information and knowledge
  - Handholding support
-

# How to Define a startup?

## Government of India Definition





# Recognition Procedure

## Government of India Recognition





# Startup India

Starting a startup revolution

11,634

Startups Recognized with the  
Government of India

448

Districts

29

States

6

Union Territories

56%

Tier 1 Cities

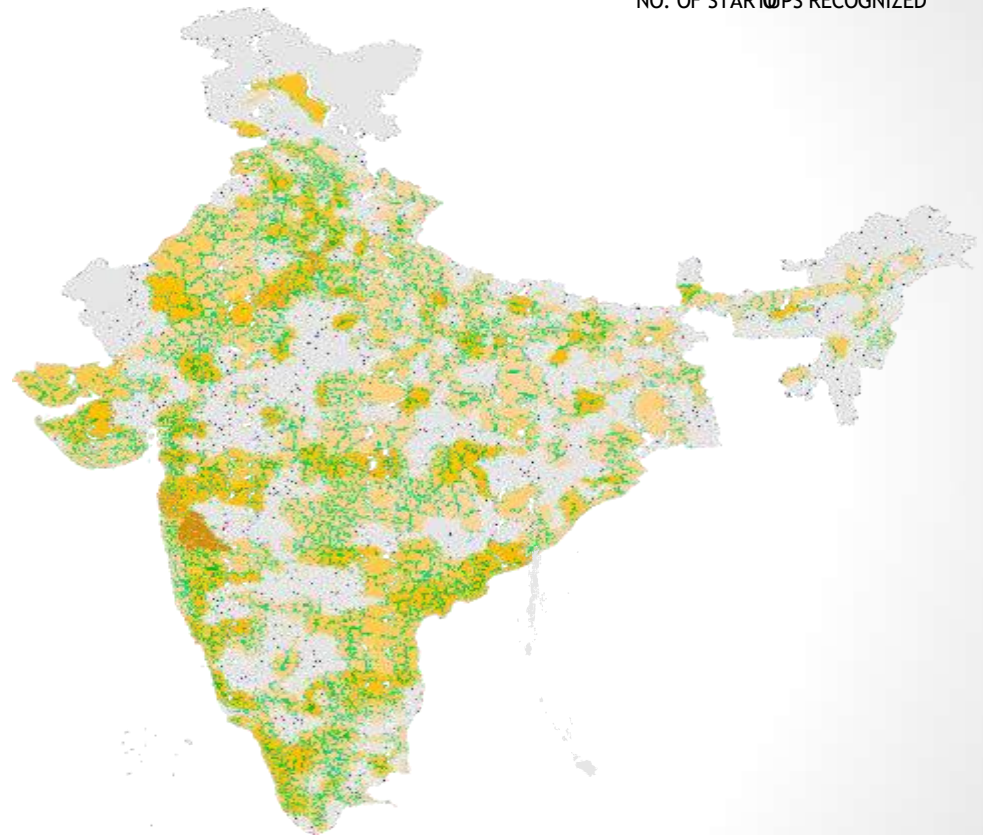
27%

Tier 2 Cities

17%

Tier 3 Cities

STARTUP INDIA RECOGNITION



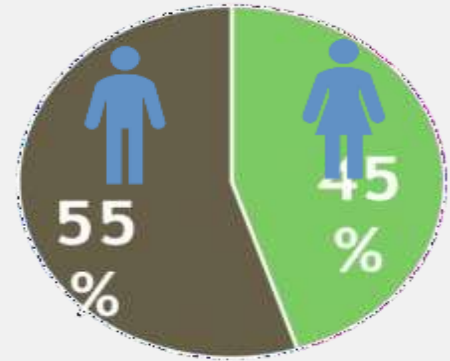
# Nation of Job Creators

## Shaping a New India



**12 Jobs**  
per startup\*

\*1,06,618 JOBS REPORTED BY 9,091  
STARTUP INDIA RECOGNISED STARTUPS



DISTRIBUTION OF STARTUPS WITH ATLEAST 1 OR  
MORE WOMEN DIRECTOR (S)





# Process simplification

## Encouraging startups



Government  
Procurement



Patent  
Granted



Tax  
Benefit



Compliance  
Regime



Faster  
Exit

2018

Exempted

Fast Track  
Examination

Income Tax  
Exemption

Self  
Certification

90 Days

2014

Experience,  
Turnover, EMD  
required

Time  
Consuming  
Process

Nil

Physical Inspection

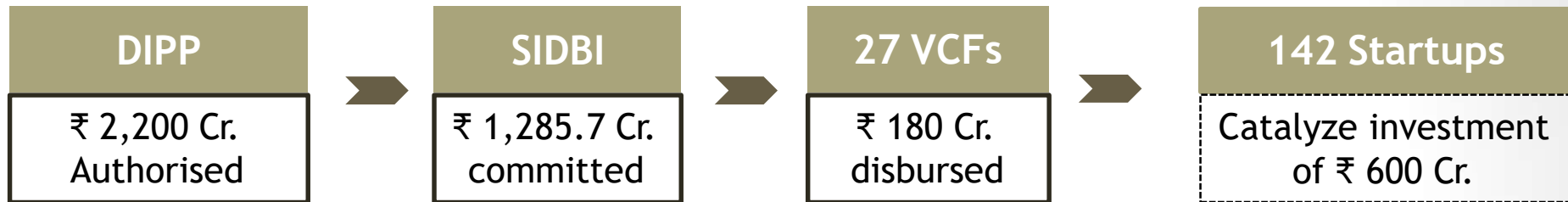
> 4 years



# Funding Innovation

## Fund of Funds

**₹ 10,000 Cr. corpus to be provided by Mar'25**



### Government Contribution Catalysing 10X Funds for Startups





# Startup India

## Benefits for startups

### Relaxation of Public Procurement Norms



- ❖ Relaxation of turnover, experience, & EMD condition for startups
- ❖ All Central Public Sector Undertakings to follow procedures and give preferential treatment to startups
- ❖ DIPP Recognised startups can directly register and sell on Government-e-marketplace (GeM) with no requirement of turnover & experience criteria

# Startup India

## Benefits for startups

### Patent & Trademark Benefits



- ❖ 80% rebate in patent filing fees
- ❖ 50% rebate in trademark filing fees
- ❖ Empanelled 1,019 facilitators for free of cost filing & facilitation
- ❖ Government to reimburse facilitators' cost
- ✓ 801 applications have received 80% patent rebate
- ✓ 1,226 applications have received 50% trademark rebate

# Startup India

## Benefits for startups

### Facilitation & Handholding



- ❖ Dedicated facilitation support team at Invest India to handhold startups
- ❖ 48 hr response time for any startup enquiry made via email, twitter, or call centre
- ✓ 1,05,230 enquiries have been successfully resolved so far
- ✓ 547 startups mentored and facilitated by team (such as business advisory, financial advisory, tax & legal support, stakeholder introduction etc.)

# Startup India

## Benefits for startups

### Easier Compliances



- ❖ Inspections against 6 labour & 3 environmental laws relaxed for startups
- ❖ Startups now allowed to self certify against laws; easing compliances for startups
- ❖ Insolvency & Bankruptcy board constituted for fast track exit
- ❖ 90 day period for winding up operations as opposed to 4 yrs earlier



# Startup India

## Benefits for startups

### Tax Exemptions

Tax exemption on investment from investor against issue of share capital and on profits and gains from income for 3 years

☒ Startups can apply to avail exemption under Section 56 and Section 80 IAC of the Income Tax Act, 1961

☒ Operating Guidelines Formulated

#### Evaluation Criteria



1. Innovation & Uniqueness
2. Share Capital details
3. Merchant banker report
4. Details of Issue of Shares
5. Investor Details

#### Inter Ministerial Board



- |          |          |
|----------|----------|
| 1. DIP   | 5. CBD P |
| 2. DBT   | T        |
| 3. DST   | 6. SEBI  |
| 4. MeitY | 7. RBI   |
|          | 8. MCA   |



# Funding Innovation

## Building Capacities



## INNOVATORS

### Atal Tinkering Labs ₹ 488 cr.

Scheme run by NITI Aayog to set up tinkering labs in schools across India where young minds can give shape to their ideas through hands-on, do-it-yourself learning

- ✓ 2441 schools across India have been selected to setup tinkering labs
- ✓ Grant-in-aid of INR 20 Lakhs per lab over a period of 5 years



# Funding Innovation

## Building Capacities

### INNOVATORS

#### MANAK ₹ 30 cr.

Scheme run by Dept. of Science & Technology to strengthen science and technology system, increase R&D human resource base by inviting students from all government and private schools to send their original and creative technological ideas/innovations.

✓ 30,678 students received a grant of INR 10,000 each



# Funding Innovation

## Building Capacities

### INNOVATORS

#### **Uchhattar Avishkar Yojana ₹ 258 cr.**

Scheme run by Min. of Human Resource Development to jointly fund research projects, along with private entities, undertaken by IIT students

- ✓ Funding support provided to 85 research projects at various IITs, for product development & commercialization





# Funding Innovation

## Building Capacities

### INFRASTRUCTURE

#### Incubation Centres ₹ 244 cr.

Supporting creating of world class incubation facilities across India that will enable entrepreneurs by mentoring and cultivating their ideas into successful ventures

- ✓ NITI AAYOG
- ✓ Dept. of Science & Technology
- ✓ Dept. of Biotechnology



# Funding Innovation

## Building Capacities



### INFRASTRUCTURE

#### Research Parks ₹ 665 cr.

Scheme run by Min. of Human Resource Development to setting up research facilities for incubation and joint Research and Development (R&D) efforts between academia and industry

- ✓ Establishment of R&D facilities across 7 IITs & IISc Bangalore ( i.e. academia-industry collaboration)



# Funding Innovation

## Building Capacities



### INFRASTRUCTURE

#### Bio Clusters & Regional Centres ₹ 412 cr.

Spearheaded by Dept. of Biotechnology to promote innovation among Biotech companies and support commercialization of research

- ✓ 4 bio-clusters at Kalyani, Bangalore, Faridabad & Pune
- ✓ 3 BIRAC Regional Centres at Hyderabad, Bangalore & Pune



# Startup India Online Hub

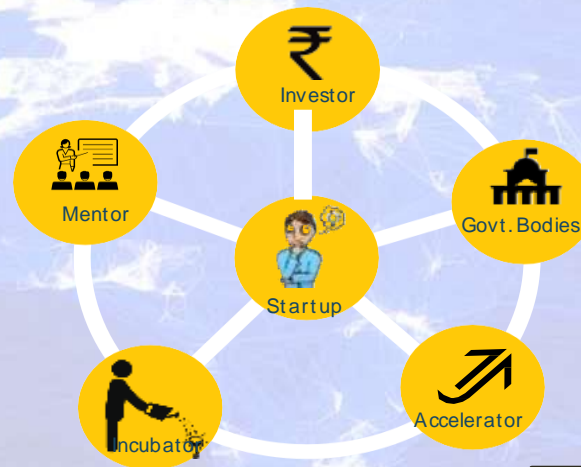
## India's Largest Virtual Incubation Platform



सत्यमेव जयते  
Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Government of India

[www.startupindiahub.org.in](http://www.startupindiahub.org.in)

Discover, Connect, &  
Engage with Ecosystem  
Stakeholders



Information  
Discovery

Curated Learning  
Programs

Networking &  
Engagement

Tools &  
Templates

Applications  
to enablers

#startupindia



# Startup India Learning Program

4 weeks long || Free of Cost || English & Hindi



समर्थन  
Department of Industrial Policy and Promotion  
Ministry of Commerce and Industry  
Government of India

## Startup India Learning Program



### Course Content

Idea Assessment

Building a Legal Foundation

Finance Basics

Business Planning

Fundraising & Valuation



Business Plan



### Additional Resources

- ✓ Discussion forums
- ✓ Online workshops
- ✓ Templates/ Resources

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