

# General Startup Q&A; Dataset

Indian Startup Ecosystem Knowledge Base

Total Entries: 192

## Business Structure (21 entries)

### Q: What is a Private Limited Company?

**A:** A Private Limited Company is a privately held business entity with limited liability, requiring 2-200 shareholders and minimum 2 directors. It's a separate legal entity that can own assets, incur debts, and enter contracts. Shareholders' liability is limited to their share capital investment.

*Keywords: private limited, pvt ltd*

### Q: What are advantages of Private Limited Company?

**A:** Advantages: (1) Limited liability for shareholders, (2) Separate legal entity, (3) Easy VC funding, (4) Perpetual succession, (5) Credibility, (6) Can issue ESOPs, (7) Tax benefits, (8) Easy share transfer

*Keywords: pvt ltd advantages*

### Q: What are disadvantages of Private Limited Company?

**A:** Disadvantages: (1) Higher compliance, (2) Higher costs, (3) Restricted share transfer, (4) Minimum 2 directors needed, (5) Regulatory scrutiny, (6) Mandatory audit, (7) Public disclosure to ROC

*Keywords: pvt ltd disadvantages*

### Q: How many directors needed for Pvt Ltd?

**A:** Minimum 2 directors, maximum 15. At least one must be Indian resident (182+ days/year). All need DIN and DSC.

*Keywords: directors, pvt ltd*

### Q: Can one person start Pvt Ltd?

**A:** No, minimum 2 directors and 2 shareholders required. One person can start OPC (One Person Company) instead.

*Keywords: single person, opc*

### Q: What is LLP?

**A:** Limited Liability Partnership combines partnership flexibility with limited liability. Minimum 2 partners, no maximum. Separate legal entity with partners' liability limited to contribution.

*Keywords: llp, partnership*

### Q: What are LLP advantages?

**A:** Advantages: (1) Limited liability, (2) Lower compliance vs Pvt Ltd, (3) No minimum capital, (4) Flexible profit sharing, (5) Separate legal entity, (6) Lower audit threshold

*Keywords: llp advantages*

### Q: What are LLP disadvantages?

**A:** Disadvantages: (1) Hard to raise VC funding, (2) Cannot issue ESOPs, (3) Cannot convert to Public Ltd for IPO, (4) All partners need DIN/DSC, (5) Mandatory annual filings

*Keywords: llp disadvantages*

### Q: LLP vs Pvt Ltd - which is better?

**A:** Pvt Ltd for: VC funding, ESOPs, IPO plans, scalable startups. LLP for: Professional services, lower compliance, no external funding needed, partnership flexibility.

*Keywords: llp vs pvt ltd*

### **Q: Who should choose LLP?**

**A:** Best for: CA firms, law firms, consultants, architects, professional services. Not suitable for product startups seeking VC funding.

*Keywords: llp suitability*

### **Q: What is One Person Company?**

**A:** OPC is company with single shareholder/member. Provides limited liability to solo entrepreneur. Needs 1 director (can be same person) and 1 nominee.

*Keywords: opc, one person company*

### **Q: What are OPC advantages?**

**A:** Advantages: (1) Single ownership, (2) Limited liability, (3) Separate legal entity, (4) No minimum capital, (5) Easier compliance, (6) Can convert to Pvt Ltd, (7) Credibility

*Keywords: opc advantages*

### **Q: What are OPC limitations?**

**A:** Limitations: (1) Only Indian citizens/residents, (2) Hard to raise VC funding, (3) Turnover limit ₹2Cr, (4) Capital limit ₹50L, (5) Cannot do NBFC activities, (6) Only one member

*Keywords: opc limitations*

### **Q: When must OPC convert to Pvt Ltd?**

**A:** Mandatory conversion when: (1) Annual turnover exceeds ₹2 crores, OR (2) Paid-up capital exceeds ₹50 lakhs. Must convert within 6 months.

*Keywords: opc conversion*

### **Q: Can NRI start OPC?**

**A:** No, only Indian citizens who are residents of India can incorporate OPC. NRIs cannot form OPC.

*Keywords: opc nri*

### **Q: What is Partnership Firm?**

**A:** Business where 2-50 persons share profits/losses. Governed by Partnership Act 1932. Partners have unlimited liability. Registration optional but recommended.

*Keywords: partnership firm*

### **Q: Registered vs Unregistered Partnership?**

**A:** Registered: Can sue third parties, partners can sue firm, legal recognition. Unregistered: Cannot sue third parties, limited legal protection. Always register.

*Keywords: partnership registration*

### **Q: What is Partnership Deed?**

**A:** Legal document defining partnership terms: profit sharing, capital contribution, duties, dispute resolution, admission/retirement of partners. Must be on stamp paper.

*Keywords: partnership deed*

### Q: What is Sole Proprietorship?

**A:** Simplest structure owned by single person. No legal distinction between owner and business - unlimited liability. No ROC registration needed.

*Keywords: sole proprietorship*

### Q: Sole Proprietorship advantages?

**A:** Advantages: (1) Easy setup, (2) Minimal compliance, (3) Complete control, (4) All profits to owner, (5) Easy to dissolve, (6) Lower costs, (7) Privacy

*Keywords: proprietorship advantages*

### Q: Sole Proprietorship disadvantages?

**A:** Disadvantages: (1) Unlimited liability, (2) Hard to raise funding, (3) Limited credibility, (4) No perpetual succession, (5) Cannot issue shares, (6) Limited growth

*Keywords: proprietorship disadvantages*

## Company Registration (16 entries)

### Q: How to register Private Limited Company?

**A:** Steps: (1) Get DSC for directors, (2) Apply for DIN, (3) Reserve company name via RUN, (4) Draft MOA and AOA, (5) File SPICe+ form, (6) Pay fees, (7) Get Certificate of Incorporation with PAN/TAN

*Keywords: pvt ltd registration, incorporation*

### Q: What is DSC?

**A:** Digital Signature Certificate - electronic signature for directors to sign documents digitally. Mandatory for company incorporation. Valid for 1-2 years. Cost: ₹500-1500.

*Keywords: dsc, digital signature*

### Q: What is DIN?

**A:** Director Identification Number - unique 8-digit number for every director. Mandatory for all directors. Lifetime validity. Applied via SPICe+ or DIR-3 form.

*Keywords: din, director number*

### Q: How to choose company name?

**A:** Rules: (1) Check availability on MCA portal, (2) Not similar to existing companies, (3) Not identical to trademarks, (4) No offensive words, (5) Not prohibited words without approval, (6) Add Pvt Ltd/LLP suffix

*Keywords: company name, name approval*

### Q: What is RUN service?

**A:** Reserve Unique Name - MCA service to reserve company name. Can propose 2 names. Approval in 1-2 days. Reserved for 20 days. Part of SPICe+ Part A.

*Keywords: run, name reservation*

### Q: Documents for company registration?

**A:** Required: (1) PAN/Passport of directors, (2) Aadhaar/address proof, (3) Photos, (4) Office address proof (utility bill <2 months), (5) Rent agreement + NOC if rented, (6) DSC, (7) DIN, (8) MOA, (9) AOA

*Keywords: documents required, incorporation documents*

### **Q: What is MOA?**

**A:** Memorandum of Association - defines company's objectives, scope of activities, authorized capital, and relationship with outside world. Must be filed with ROC.

*Keywords: moa, memorandum*

### **Q: What is AOA?**

**A:** Articles of Association - defines internal management rules, rights/duties of directors and shareholders, meeting procedures, share transfer rules. Company's internal constitution.

*Keywords: aoa, articles*

### **Q: What is authorized capital?**

**A:** Maximum capital company can raise by issuing shares. No minimum limit. Determines stamp duty during incorporation. Can be increased later by paying additional fees.

*Keywords: authorized capital, share capital*

### **Q: What is paid-up capital?**

**A:** Actual amount of capital paid by shareholders for shares. Can be less than authorized capital. No minimum requirement for Pvt Ltd/OPC.

*Keywords: paid-up capital*

### **Q: Company registration cost?**

**A:** Costs: (1) Government fees: ₹500-10,000 (based on capital), (2) Stamp duty: varies by state, (3) Professional fees: ₹5,000-15,000, (4) DSC: ₹500-1500. Total: ₹10,000-30,000 typically.

*Keywords: registration cost, incorporation fees*

### **Q: How long does incorporation take?**

**A:** Timeline: 7-15 working days typically. Can extend to 30 days if document issues. Fully online process via MCA portal.

*Keywords: incorporation timeline, registration time*

### **Q: Is minimum capital required?**

**A:** No minimum capital for Pvt Ltd and OPC. Can start with ₹1,000. Consider practical needs for operations and licenses.

*Keywords: minimum capital*

### **Q: What after getting COI?**

**A:** Post-incorporation: (1) Open bank account, (2) Get GST registration if needed, (3) Appoint auditor, (4) Conduct first board meeting, (5) Issue share certificates, (6) Get PF/ESI if hiring, (7) Get business licenses

*Keywords: post incorporation, after coi*

### **Q: What is Certificate of Incorporation?**

**A:** COI is proof of company's legal existence issued by ROC. Contains: Company name, CIN, incorporation date, registered office, ROC jurisdiction. Also includes PAN and TAN.

*Keywords: coi, incorporation certificate*

**Q: What is CIN?**

**A:** Corporate Identity Number - unique 21-character alphanumeric code for every company. Format: L/U + Industry code + State code + Year + Company type + Serial number + Check digit.

*Keywords: cin, company number*

## Financial Management (8 entries)

**Q: What is cash flow?**

**A:** Movement of money in and out of business. Positive: More money coming in. Negative: More going out. Different from profit. Can be profitable but cash-flow negative.

*Keywords: cash flow, cash management*

**Q: How to manage cash flow?**

**A:** Tips: (1) Invoice promptly, (2) Follow up on payments, (3) Negotiate payment terms, (4) Control expenses, (5) Build cash reserves, (6) Monitor burn rate, (7) Forecast cash needs, (8) Use accounting software

*Keywords: cash flow management*

**Q: What is working capital?**

**A:** Money available for daily operations. Formula: Current Assets - Current Liabilities. Positive working capital means can pay short-term obligations.

*Keywords: working capital*

**Q: What is P&L; statement?**

**A:** Profit and Loss statement shows revenue, expenses, and profit/loss for period. Also called Income Statement. Format: Revenue - Expenses = Profit/Loss.

*Keywords: p&l, profit loss, income statement*

**Q: What is balance sheet?**

**A:** Snapshot of company's financial position at specific date. Shows: Assets (what you own), Liabilities (what you owe), Equity (owner's stake). Assets = Liabilities + Equity.

*Keywords: balance sheet*

**Q: What is cash flow statement?**

**A:** Shows cash inflows and outflows from: Operating activities, Investing activities, Financing activities. Different from P&L; as shows actual cash movement.

*Keywords: cash flow statement*

**Q: How to create budget?**

**A:** Steps: (1) Estimate revenue, (2) List fixed costs (rent, salaries), (3) List variable costs (marketing, materials), (4) Add buffer (10-20%), (5) Track actual vs budget monthly, (6) Adjust as needed

*Keywords: budget, budgeting*

### **Q: What is financial projection?**

**A:** Forecast of future financial performance: Revenue, expenses, cash flow for 3-5 years. Used for fundraising, planning. Based on assumptions - be realistic.

*Keywords: financial projection, forecast*

## **Funding (50 entries)**

### **Q: What is startup funding?**

**A:** Capital raised from external sources (investors, VCs, angels, banks) to start or grow business. Can be equity (selling ownership) or debt (borrowing with interest).

*Keywords: startup funding, capital*

### **Q: Equity vs Debt financing?**

**A:** Equity: Sell ownership for capital, no repayment, dilute ownership, investors share risk. Debt: Borrow with interest, repay regardless of performance, retain ownership, fixed obligations.

*Keywords: equity, debt, financing*

### **Q: When to raise funding?**

**A:** Raise when: (1) Have product-market fit, (2) Need capital to scale, (3) Can't bootstrap further, (4) Have traction/revenue, (5) Clear use of funds, (6) Ready to dilute equity

*Keywords: when to raise, fundraising timing*

### **Q: How much funding to raise?**

**A:** Raise enough for: (1) 18-24 months runway, (2) Achieve next milestone, (3) Reach next funding round, (4) Buffer for delays. Don't raise too much (dilution) or too little (run out).

*Keywords: funding amount, how much*

### **Q: What is dilution?**

**A:** Reduction in ownership % when new shares issued. Example: You own 100% of 100 shares. Issue 25 new shares to investor. Your ownership becomes 80% (100/125 shares).

*Keywords: dilution, equity dilution*

### **Q: What is bootstrapping?**

**A:** Self-funding using personal savings, revenue, or friends/family money. No external investors. Retain 100% ownership. Slower growth but full control.

*Keywords: bootstrapping, self funding*

### **Q: What is pre-seed funding?**

**A:** Earliest stage funding to develop MVP and validate idea. Typically ■10L-50L from founders, friends, family, or angel investors. Before product launch.

*Keywords: pre-seed, early stage*

### **Q: What is seed funding?**

**A:** First official funding round to build product and gain traction. Typically ■50L-5Cr from angel investors, micro-VCs, accelerators. After MVP, before significant revenue.

*Keywords: seed funding, seed round*

### **Q: What is Series A?**

**A:** First institutional VC round to scale proven business model. Typically ■5Cr-50Cr. Need strong traction, revenue, and growth metrics. Focus on scaling user base.

*Keywords: series a, series a funding*

### **Q: What is Series B?**

**A:** Funding to expand market reach and team. Typically ■50Cr-200Cr. Need consistent revenue growth and market leadership in segment. Scale operations.

*Keywords: series b*

### **Q: What is Series C and beyond?**

**A:** Late-stage funding for market expansion, acquisitions, or pre-IPO. ■200Cr+. Mature startups with strong revenue and profitability path. Prepare for exit.

*Keywords: series c, late stage*

### **Q: What is bridge round?**

**A:** Short-term funding between major rounds or before IPO. Typically debt or convertible notes. Helps extend runway until next milestone.

*Keywords: bridge round, bridge financing*

### **Q: What is Angel Investor?**

**A:** High net-worth individual investing personal money in early-stage startups for equity. Typically ■10L-2Cr. Often provide mentorship and connections.

*Keywords: angel investor, angel*

### **Q: What is Venture Capitalist?**

**A:** Professional investor/firm investing in high-growth startups for equity. Manage funds from LPs. Invest ■5Cr-500Cr+. Provide strategic guidance and network.

*Keywords: vc, venture capital*

### **Q: What is difference between Angel and VC?**

**A:** Angel: Personal money, smaller amounts (■10L-2Cr), earlier stage, hands-on mentorship. VC: Fund money, larger amounts (■5Cr+), later stage, board involvement, professional management.

*Keywords: angel vs vc*

### **Q: What is accelerator?**

**A:** Program providing mentorship, resources, and seed funding (■10L-50L) for equity (5-10%). Typically 3-6 months. Examples: Y Combinator, Techstars, 500 Startups.

*Keywords: accelerator, incubator*

### **Q: What is incubator?**

**A:** Organization providing workspace, mentorship, and resources to early-stage startups. May or may not take equity. Longer duration than accelerators (1-2 years).

*Keywords: incubator*

### **Q: What is valuation?**

**A:** Estimated worth of company. Pre-money: value before investment. Post-money: pre-money + investment. Determines investor's equity %. Example: ■10Cr pre-money + ■2Cr investment = ■12Cr post-money, investor gets 16.67%.

*Keywords: valuation, pre-money, post-money*

### **Q: What is term sheet?**

**A:** Non-binding document outlining investment terms: valuation, amount, equity %, liquidation preference, board seats, anti-dilution, vesting. Blueprint for final agreements.

*Keywords: term sheet, investment terms*

### **Q: What is liquidation preference?**

**A:** Investor's right to get paid first during exit (acquisition/liquidation). 1x means investor gets investment back before others. 2x means 2x investment back first.

*Keywords: liquidation preference*

### **Q: What is anti-dilution?**

**A:** Protection for investors if future rounds at lower valuation. Full ratchet: adjust to new low price. Weighted average: proportional adjustment. Protects early investors.

*Keywords: anti-dilution*

### **Q: What is vesting?**

**A:** Gradual earning of equity over time. Typical: 4-year vesting with 1-year cliff. Cliff: no shares until 1 year. After cliff, monthly/quarterly vesting. Prevents founders from leaving early.

*Keywords: vesting, cliff*

### **Q: What is cap table?**

**A:** Capitalization table showing ownership structure: who owns how many shares, what %, at what price. Tracks dilution across funding rounds. Critical for fundraising.

*Keywords: cap table, ownership*

### **Q: What is convertible note?**

**A:** Debt that converts to equity in future round. Has interest rate, maturity date, discount (15-25%), and valuation cap. Common in seed stage.

*Keywords: convertible note*

### **Q: What is SAFE?**

**A:** Simple Agreement for Future Equity - investment now for equity later. No interest, no maturity. Has discount and/or valuation cap. Simpler than convertible note.

*Keywords: safe, simple agreement*

### **Q: What is CCPS?**

**A:** Compulsorily Convertible Preference Shares - Indian legal structure for startup investment. Preference shares that must convert to equity at trigger event (next round/IPO). Standard for VC deals in India.

*Keywords: ccps, preference shares*

### **Q: What is pro-rata rights?**

**A:** Investor's right to maintain ownership % in future rounds by investing proportionally. Prevents dilution. Example: 10% owner can invest 10% of next round.

*Keywords: pro-rata, preemptive rights*

### **Q: How to prepare for fundraising?**

**A:** Preparation: (1) Strong pitch deck, (2) Financial projections, (3) Clean cap table, (4) Legal compliance, (5) Traction metrics, (6) Competitive analysis, (7) Use of funds plan, (8) Team bios

*Keywords: fundraising preparation*

### **Q: What is pitch deck?**

**A:** 10-15 slide presentation covering: Problem, Solution, Market size, Product, Traction, Business model, Competition, Team, Financials, Ask. Keep concise and compelling.

*Keywords: pitch deck, presentation*

### **Q: How long does fundraising take?**

**A:** Typically 3-6 months from first meeting to money in bank. Stages: Pitch (1-2 months), Due diligence (1-2 months), Term sheet negotiation (2-4 weeks), Legal docs (1-2 months).

*Keywords: fundraising timeline*

## **Venture Capital**

Private equity financing for high-growth startups. VCs invest in exchange for equity, provide strategic guidance and network.

*Keywords: vc, venture capital*

## **Angel Investor**

High net-worth individual investing personal capital in early-stage startups for equity, often providing mentorship.

*Keywords: angel, angel investor*

## **Bootstrapping**

Self-funding business using personal savings, revenue, or friends/family money without external investors.

*Keywords: bootstrapping, self-funding*

## **Seed Funding**

First official funding round to build product and gain initial traction, typically from angels or micro-VCs.

*Keywords: seed, seed funding*

## **Series A/B/C**

Sequential institutional VC funding rounds. A: Scale proven model, B: Expand market, C: Prepare for exit/IPO.

*Keywords: series a, series b, series c*

## **Valuation**

Estimated worth of company. Pre-money: before investment. Post-money: after investment.

*Keywords: valuation, pre-money, post-money*

## **Dilution**

Reduction in ownership percentage when new shares are issued to investors.

*Keywords: dilution, equity dilution*

## **Cap Table**

Capitalization table showing ownership structure: who owns how many shares at what price.

*Keywords: cap table, ownership*

## **Term Sheet**

Non-binding document outlining key investment terms: valuation, amount, equity, rights.

*Keywords: term sheet*

## **Liquidation Preference**

Investor's right to get paid first during exit, typically 1x or 2x investment amount.

*Keywords: liquidation preference*

## **Anti-Dilution**

Protection for investors if future rounds at lower valuation, adjusts their share price.

*Keywords: anti-dilution*

## **Vesting**

Gradual earning of equity over time, typically 4 years with 1-year cliff for founders.

*Keywords: vesting, cliff*

## **Convertible Note**

Debt that converts to equity in future round, with interest rate, discount, and cap.

*Keywords: convertible note*

## **SAFE**

Simple Agreement for Future Equity - investment now for equity later, simpler than convertible note.

*Keywords: safe*

## **CCPS**

Compulsorily Convertible Preference Shares - Indian legal structure for VC investments.

*Keywords: ccps, preference shares*

## **Pro-rata Rights**

Investor's right to maintain ownership percentage in future rounds by investing proportionally.

*Keywords: pro-rata, preemptive rights*

## **Down Round**

Funding round at lower valuation than previous round, dilutes existing shareholders more.

*Keywords: down round*

## Up Round

Funding round at higher valuation than previous round, less dilutive for existing shareholders.

*Keywords: up round*

## Unicorn

Privately-held startup valued at \$1 billion or more.

*Keywords: unicorn*

## Decacorn

Privately-held startup valued at \$10 billion or more.

*Keywords: decacorn*

# Growth Scaling (13 entries)

### Q: What is burn rate?

**A:** Rate of spending cash reserves monthly. Example: ■10L cash, spending ■1L/month = ■1L burn rate. Critical metric for runway calculation.

*Keywords: burn rate, cash burn*

### Q: What is runway?

**A:** Months of operation possible with current cash. Formula: Total Cash / Monthly Burn Rate. Example: ■10L cash, ■1L burn = 10 months runway. Raise funding before runway ends.

*Keywords: runway, cash runway*

### Q: What is MRR?

**A:** Monthly Recurring Revenue - predictable revenue from subscriptions each month. Key SaaS metric. Example: 100 customers × ■1,000/month = ■1L MRR.

*Keywords: mrr, recurring revenue*

### Q: What is ARR?

**A:** Annual Recurring Revenue -  $MRR \times 12$ . Measures yearly subscription revenue. Used by SaaS companies for valuation and growth tracking.

*Keywords: arr, annual revenue*

### Q: What is CAC?

**A:** Customer Acquisition Cost - cost to acquire one customer. Formula: Total Marketing + Sales Cost / New Customers. Example: ■1L spent, 100 customers = ■1,000 CAC.

*Keywords: cac, acquisition cost*

### Q: What is LTV?

**A:** Lifetime Value - total revenue from customer over relationship. Formula: Average Purchase Value × Purchase Frequency × Customer Lifespan. Should be 3× CAC minimum.

*Keywords: ltv, lifetime value*

### Q: What is churn rate?

**A:** Percentage of customers lost in period. Formula: (Customers Lost / Total Customers at Start) × 100. Example: Lost 10 of 100 customers = 10% churn. Lower is better.

*Keywords: churn, churn rate*

### **Q: What is product-market fit?**

**A:** When product satisfies strong market demand. Signs: Organic growth, high retention, customers can't live without product, word-of-mouth referrals, sustainable unit economics.

*Keywords: product market fit, pmf*

### **Q: How to acquire first customers?**

**A:** Strategies: (1) Personal network, (2) Content marketing, (3) Social media, (4) Cold outreach, (5) Partnerships, (6) Free trials, (7) Launch on Product Hunt, (8) Community building

*Keywords: customer acquisition, first customers*

### **Q: What is MVP?**

**A:** Minimum Viable Product - simplest version with core features to test market. Launch quickly, get feedback, iterate. Don't build everything upfront.

*Keywords: mvp, minimum viable product*

### **Q: What is pivot?**

**A:** Fundamental change in business model, product, or target market based on learnings. Example: Instagram pivoted from Burbn (check-in app) to photo-sharing.

*Keywords: pivot, business model change*

### **Q: When to scale?**

**A:** Scale when: (1) Product-market fit achieved, (2) Unit economics positive, (3) Repeatable sales process, (4) Strong retention, (5) Have funding, (6) Team ready. Don't scale prematurely.

*Keywords: when to scale, scaling*

### **Q: How to scale team?**

**A:** Steps: (1) Define roles needed, (2) Hire for culture fit + skills, (3) Set clear processes, (4) Delegate effectively, (5) Use tools for collaboration, (6) Regular communication, (7) Build strong culture

*Keywords: team scaling, hiring*

## **Legal (15 entries)**

### **DPIIT**

Department for Promotion of Industry and Internal Trade - recognizes startups under Startup India.

*Keywords: dpiit, startup india*

### **ROC**

Registrar of Companies - government body that maintains company records and registrations.

*Keywords: roc*

### **CIN**

Corporate Identity Number - unique 21-character code for every registered company.

*Keywords: cin*

## **DIN**

Director Identification Number - unique 8-digit number for every company director.

*Keywords: din*

## **DSC**

Digital Signature Certificate - electronic signature for directors to sign documents digitally.

*Keywords: dsc*

## **MOA**

Memorandum of Association - defines company's objectives and scope of activities.

*Keywords: moa, memorandum*

## **AOA**

Articles of Association - defines internal management rules and regulations.

*Keywords: aoa, articles*

## **NDA**

Non-Disclosure Agreement - legal contract to protect confidential information.

*Keywords: nda, confidentiality*

## **IP**

Intellectual Property - creations of mind: inventions, designs, brands, protected by patents/trademarks/copyrights.

*Keywords: ip, intellectual property*

## **Trademark**

Symbol, word, or phrase identifying brand, protects brand name and logo.

*Keywords: trademark*

## **Patent**

Exclusive right to invention for 20 years, must be novel and non-obvious.

*Keywords: patent*

## **Copyright**

Protection for original creative works: software, content, designs.

*Keywords: copyright*

## **FEMA**

Foreign Exchange Management Act - regulates foreign investment and transactions in India.

*Keywords: fema*

## **SEBI**

Securities and Exchange Board of India - regulates securities market and protects investors.

*Keywords: sebi*

## IMB

Inter-Ministerial Board - certifies startups for 3-year tax exemption under Startup India.

*Keywords: imb*

## Legal Compliance (21 entries)

### Q: What is GST?

**A:** Goods and Services Tax - indirect tax on supply of goods/services. Replaced multiple taxes (VAT, service tax, excise). Single tax across India. Rates: 0%, 5%, 12%, 18%, 28%.

*Keywords: gst, tax*

### Q: When is GST mandatory?

**A:** Mandatory if: (1) Turnover >₹40L (goods) or >₹20L (services), (2) Inter-state supply, (3) E-commerce operator, (4) Import/export, (5) Casual/non-resident taxable person. Voluntary if below threshold.

*Keywords: gst mandatory, gst registration*

### Q: How to register for GST?

**A:** Register on [gst.gov.in](http://gst.gov.in) with: PAN, business proof, bank details, address proof. Get GSTIN (15-digit number). Free process. Takes 2-6 working days.

*Keywords: gst registration process*

### Q: What are GST returns?

**A:** Monthly/Quarterly filings reporting sales, purchases, tax collected, tax paid. GSTR-1 (sales), GSTR-3B (summary). Due dates: 10th-20th of next month. Late filing = penalty.

*Keywords: gst returns, gstr*

### Q: What is input tax credit?

**A:** Credit for GST paid on purchases, can be used to offset GST on sales. Example: Paid ₹18 GST on ₹100 purchase, collected ₹36 GST on ₹200 sale. Pay only ₹18 (₹36-₹18) to government.

*Keywords: input tax credit, itc*

### Q: What is PAN?

**A:** Permanent Account Number - 10-character alphanumeric tax ID. Mandatory for: Bank accounts, financial transactions >₹50K, GST, ITR filing. Issued by Income Tax Department.

*Keywords: pan, permanent account*

### Q: What is TAN?

**A:** Tax Deduction and Collection Account Number - 10-character alphanumeric ID for entities deducting TDS. Mandatory if paying salaries or making TDS deductions.

*Keywords: tan, tds*

### Q: What is MSME registration?

**A:** Udyam Registration for Micro, Small, Medium Enterprises. Free online registration on [udyamregistration.gov.in](https://udyamregistration.gov.in). Benefits: Easy loans, lower interest, subsidies, tax benefits, government tenders.

*Keywords: msme, udyam*

### **Q: What is Shop Act license?**

**A:** License for commercial establishments under Shops and Establishments Act. Regulates working hours, holidays, wages. Mandatory for physical offices. State-specific. Apply to labor department.

*Keywords: shop act, establishment license*

### **Q: What is FSSAI license?**

**A:** Food Safety and Standards Authority of India license. Mandatory for food businesses. Types: Basic (turnover <₹12L), State (₹12L-20Cr), Central (>₹20Cr). Apply on [fssai.gov.in](https://fssai.gov.in).

*Keywords: fssai, food license*

### **Q: What is IEC code?**

**A:** Import Export Code - 10-digit number for international trade. Mandatory for import/export. Lifetime validity. Apply on DGFT website. Free since 2020.

*Keywords: iec, import export*

### **Q: What is professional tax?**

**A:** State-level tax on professionals and salaried employees. Rates vary by state (₹200-2500/year). Employer deducts and pays. Not applicable in all states.

*Keywords: professional tax*

### **Q: What is EPF?**

**A:** Employees' Provident Fund - retirement savings scheme. Mandatory for establishments with 20+ employees. Employee contributes 12% of basic salary, employer contributes 12%. Managed by EPFO.

*Keywords: epf, provident fund*

### **Q: What is ESI?**

**A:** Employees' State Insurance - health insurance for employees earning <₹21,000/month. Mandatory for establishments with 10+ employees. Employee: 0.75%, Employer: 3.25% of wages.

*Keywords: esi, employee insurance*

### **Q: What is minimum wages?**

**A:** Minimum wage rates set by state governments for different categories. Employers must pay at least minimum wage. Varies by state, skill level, industry. Check state labor department.

*Keywords: minimum wages, wages*

### **Q: What is NDA?**

**A:** Non-Disclosure Agreement - legal contract to protect confidential information. Use when: Discussing with investors, hiring employees, working with vendors. Prevents information sharing.

*Keywords: nda, confidentiality*

### **Q: What is employment contract?**

**A:** Agreement between employer and employee defining: Role, salary, working hours, leave, termination, confidentiality, non-compete. Must comply with labor laws. Get lawyer to draft.

*Keywords: employment contract, offer letter*

### **Q: What is founder agreement?**

**A:** Agreement between co-founders defining: Equity split, roles, decision-making, vesting, exit terms, IP ownership, dispute resolution. Critical to prevent future conflicts.

*Keywords: founder agreement, co-founder*

### **Q: What is trademark?**

**A:** Symbol, word, or phrase identifying your brand. Protects brand name, logo, tagline. Register with Trademark Registry. Takes 12-18 months. Valid 10 years, renewable.

*Keywords: trademark, brand*

### **Q: What is patent?**

**A:** Exclusive right to invention for 20 years. Must be novel, non-obvious, useful. File with Patent Office. Takes 3-5 years. Expensive (■1-5L). SIPP scheme helps startups.

*Keywords: patent, invention*

### **Q: What is copyright?**

**A:** Protection for original creative works: software, content, designs. Automatic upon creation. Registration provides legal proof. File with Copyright Office. Lifetime + 60 years.

*Keywords: copyright*

## **Metrics (15 entries)**

### **Burn Rate**

Rate at which company spends cash reserves monthly. Critical for runway calculation.

*Keywords: burn rate, cash burn*

### **Runway**

Number of months company can operate with current cash before needing more funding.

*Keywords: runway, cash runway*

### **MRR**

Monthly Recurring Revenue - predictable monthly revenue from subscriptions.

*Keywords: mrr, recurring revenue*

### **ARR**

Annual Recurring Revenue -  $MRR \times 12$ , measures yearly subscription revenue.

*Keywords: arr*

### **CAC**

Customer Acquisition Cost - total cost to acquire one customer.

*Keywords: cac, acquisition cost*

## **LTV**

Lifetime Value - total revenue expected from customer over entire relationship.

*Keywords: ltv, lifetime value*

## **Churn Rate**

Percentage of customers lost in given period, measure of customer retention.

*Keywords: churn, churn rate*

## **GMV**

Gross Merchandise Value - total value of goods sold through platform.

*Keywords: gmv*

## **ARPU**

Average Revenue Per User - total revenue divided by number of users.

*Keywords: arpu*

## **Unit Economics**

Direct revenues and costs per unit (customer, transaction, product).

*Keywords: unit economics*

## **Product-Market Fit**

When product satisfies strong market demand with sustainable growth.

*Keywords: product market fit, pmf*

## **NPS**

Net Promoter Score - measures customer satisfaction and loyalty (0-10 scale).

*Keywords: nps, net promoter*

## **DAU/MAU**

Daily Active Users / Monthly Active Users - engagement metrics.

*Keywords: dau, mau*

## **Retention Rate**

Percentage of customers who continue using product over time.

*Keywords: retention*

## **Conversion Rate**

Percentage of users who complete desired action (sign-up, purchase).

*Keywords: conversion rate*

# **Operations (10 entries)**

**Q: How to open company bank account?**

**A:** Documents needed: COI, PAN, MOA/AOA, Board resolution, Address proof, Director's KYC. Visit bank with all directors. Takes 3-7 days. Choose bank with startup benefits.

*Keywords: bank account, current account*

### **Q: What is current account?**

**A:** Business bank account for companies. No transaction limit, no interest, monthly charges. Required for GST, business operations. Different from savings account.

*Keywords: current account, business account*

### **Q: How to hire first employee?**

**A:** Steps: (1) Define role and salary, (2) Draft employment contract, (3) Collect documents (PAN, Aadhaar, bank), (4) Register for EPF/ESI if applicable, (5) Set up payroll, (6) Issue offer letter, (7) Onboard

*Keywords: hiring, first employee*

### **Q: What is CTC?**

**A:** Cost to Company - total cost of employee including: Basic salary, HRA, allowances, bonuses, EPF, ESI, gratuity. Employee's take-home is less than CTC after deductions.

*Keywords: ctc, salary*

### **Q: What is payroll?**

**A:** Process of paying employee salaries: Calculate gross, deduct TDS/EPF/ESI, pay net salary, file returns. Use payroll software or CA. Monthly process.

*Keywords: payroll, salary processing*

### **Q: Do I need physical office?**

**A:** Not mandatory initially. Can use: (1) Registered office at home (with NOC), (2) Co-working space, (3) Virtual office for address. Physical office needed when scaling team.

*Keywords: office, workspace*

### **Q: What is registered office?**

**A:** Official address of company filed with ROC. All legal notices sent here. Must display company name board. Can be residential (with NOC) or commercial. Can change with ROC approval.

*Keywords: registered office, address*

### **Q: Do I need accountant?**

**A:** Yes, recommended. Need for: GST returns, ITR filing, TDS returns, payroll, financial statements, audit, compliance. Hire CA or use accounting software + CA for filings.

*Keywords: accountant, ca*

### **Q: What is bookkeeping?**

**A:** Recording daily financial transactions: Sales, purchases, expenses, receipts, payments. Maintains ledgers and books. Foundation for accounting and tax filing.

*Keywords: bookkeeping, accounting*

### **Q: What accounting software to use?**

**A:** Options: Zoho Books, Tally, QuickBooks, ClearTax, Razorpay. Choose based on: Features needed, GST compliance, integrations, pricing. Most offer free trials.

*Keywords: accounting software, tally*

## Startup India (14 entries)

### Q: What is Startup India?

**A:** Government initiative launched Jan 2016 to build startup ecosystem. Provides tax benefits, easier compliance, funding access, IPR support, and networking opportunities to eligible startups.

*Keywords: startup india, dpiit*

### Q: Startup India eligibility?

**A:** Criteria: (1) Pvt Ltd/LLP/Partnership, (2) <10 years old, (3) Turnover <₹100Cr, (4) Working on innovation/improvement, (5) Not formed by splitting existing business, (6) DPIIT recognition

*Keywords: eligibility, dpiit recognition*

### Q: Startup India benefits?

**A:** Benefits: (1) 3-year tax exemption, (2) Self-certification for 6 labor + 3 environment laws, (3) Access to Fund of Funds (₹10,000Cr), (4) Seed Fund (₹945Cr), (5) 80% patent fee rebate, (6) Fast-track patent, (7) Networking

*Keywords: benefits, tax exemption*

### Q: How to register for Startup India?

**A:** Steps: (1) Incorporate company first, (2) Create profile on startupindia.gov.in, (3) Apply for DPIIT recognition via NSWS portal, (4) Upload documents: COI, PAN, innovation description, (5) Get recognition certificate

*Keywords: registration process, dpiit*

### Q: Is Startup India registration free?

**A:** Yes, completely free. No government fees for DPIIT recognition. May have professional fees for documentation help.

*Keywords: registration fee, cost*

### Q: What is 3-year tax exemption?

**A:** Income tax exemption for 3 consecutive years out of first 10 years. Must get certification from Inter-Ministerial Board (IMB). Startup must be innovative and scalable.

*Keywords: tax exemption, income tax*

### Q: How to get tax exemption certificate?

**A:** Apply to IMB with: (1) DPIIT recognition, (2) Business plan, (3) Innovation proof, (4) Scalability potential, (5) Job creation plan. IMB reviews and grants certificate if approved.

*Keywords: imb, tax certificate*

### Q: What is angel tax exemption?

**A:** Exemption from Section 56(2)(viib) - tax on investments above fair market value. DPIIT recognized startups with turnover <₹25Cr exempt from angel tax.

*Keywords: angel tax, section 56*

### Q: What is Fund of Funds?

**A:** ■10,000 crore corpus managed by SIDBI. Doesn't invest directly in startups. Invests in SEBI-registered AIFs (daughter funds), who then invest in startups. 129 AIFs supported, 939 startups funded.

*Keywords: ffs, fund of funds, sidbi*

### Q: What is Seed Fund Scheme?

**A:** ■945 crore scheme providing grants to early-stage startups. Up to ■20L for proof of concept, up to ■50L for product development. For DPIIT recognized startups <2 years old.

*Keywords: seed fund, sisfs, grants*

### Q: How to apply for Seed Fund?

**A:** Apply through incubators empanelled under SISFS. Incubator evaluates and recommends to Expert Advisory Committee. Grants given for concept validation and market entry.

*Keywords: seed fund application*

### Q: What IPR benefits for startups?

**A:** Benefits: (1) 80% rebate on patent filing fees, (2) 50% rebate on trademark fees, (3) Fast-track examination, (4) Panel of facilitators for filing, (5) Government pays facilitator fees

*Keywords: ipr, patent, trademark*

### Q: What is SIPP scheme?

**A:** Startup Intellectual Property Protection - helps startups file patents/trademarks at reduced cost. Government empanels facilitators and bears their fees. Startups pay only statutory fees.

*Keywords: sipp, ip protection*

### Q: What is self-certification?

**A:** DPIIT startups can self-certify compliance for 6 labor laws and 3 environment laws for 3-5 years. Reduces inspection burden. Must still comply, just no routine inspections.

*Keywords: self certification, compliance*

## Taxation (9 entries)

### Q: What is corporate income tax?

**A:** Tax on company profits. Rates: Domestic companies: 25-30%, New manufacturing companies: 15%, Startups (with IMB certificate): 0% for 3 years. File ITR-6 annually.

*Keywords: income tax, corporate tax*

### Q: When to file income tax return?

**A:** Due date: July 31 for companies (extended to Oct 31 if audited). File even if no income. Late filing penalty: ■5,000-10,000 + interest.

*Keywords: itr, tax filing*

### Q: What is TDS?

**A:** Tax Deducted at Source - tax deducted when making payments (salary, rent, professional fees). Deductor deposits to government, gives TDS certificate to deductee. Deductee claims credit in ITR.

*Keywords: tds, tax deduction*

**Q: What is advance tax?**

**A:** Tax paid in advance during the year (not at year-end). Mandatory if tax liability > ₹10,000. Pay in 4 installments: June 15%, Sept 45%, Dec 75%, March 100%.

*Keywords: advance tax*

**Q: What is reverse charge mechanism?**

**A:** Recipient pays GST instead of supplier. Applies to: Imports, GTA services, legal services, director fees, etc. Recipient must be GST registered.

*Keywords: rcm, reverse charge*

**Q: What is composition scheme?**

**A:** Simplified GST scheme for small businesses (turnover < ₹1.5Cr). Pay flat rate (1-6%), quarterly returns, no input credit. Cannot do inter-state supply or e-commerce.

*Keywords: composition scheme, gst*

**Q: What is e-way bill?**

**A:** Electronic document for goods movement > ₹50,000. Generated on [ewaybillgst.gov.in](http://ewaybillgst.gov.in). Valid for distance-based duration. Mandatory for inter-state and intra-state transport.

*Keywords: e-way bill, transport*

**Q: What is dividend distribution tax?**

**A:** Tax on dividends paid to shareholders. Abolished from April 2020. Now shareholders pay tax on dividends as per their income slab.

*Keywords: ddt, dividend tax*

**Q: What is capital gains tax?**

**A:** Tax on profit from selling assets (shares, property). Short-term (held <1 year): As per slab. Long-term (held >1 year): 10% above ₹1L for equity, 20% with indexation for property.

*Keywords: capital gains, ltcg, stcg*