

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 \times ■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 \times Purchase Frequency \times Customer Lifespan. Should be 3x 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 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. 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.

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 × 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. 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