

Startup India – Everything you need to know

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In brief

What do you need to start a business? Only three simple things: Know your product better than anyone, know your customer, and have a burning desire to succeed. These elements would boost initiating a startup but it's journey would not be less than a roller coaster ride. But round the clock, hassle of an entrepreneur on one side and constructive backing from the Government would work as a ladder of success for any Startup.

Relevant Source

<https://www.startupindia.gov.in/>

In detail

With this view Prime Minister Narendra Modi announced **Startup India Campaign** on 15th August 2015 with a view to improve the '**Ease of Doing Business**' in the country and create an ecosystem that is conducive for the growth of start-ups.

Eligibility criteria for Startup Recognition –

1. **Age** - An entity shall be considered as a Startup up to 10 years from the date of its Incorporation.
2. **Type** - The business entity should be registered as –
 - Private Limited Company
 - Registered Partnership Firm
 - Limited Liability Partnership Firm
3. **Annual Turnover** - should not exceed 100 crores in any financial year from the date of its incorporation.
4. **Original Entity** - Entity should not be formed by splitting up or reconstructing an already existing business.

5. **Innovative and scalable** - The business should work towards development or improvement of products, process or service or have scalable business model with high potential for creation of wealth and employment.

Benefits of Registration –

The benefits of startup India Recognition comprises of –

1. **Self - certification** - Startups will be permitted to self-certify compliance under nine Labour laws and Environmental laws. In the case of Labour laws, no inspection will be conducted for a period of three years.
2. **Tax Exemption** - All startups under the Startup India plan have been exempted from tax for a period of three years. Any investments of higher value than the market price made by incubators and angel investors will also be exempted.

3. **An incubator setup** - The launch of an incubator module endorses the public - private partnership and gives startups the kind of support they need to do well.
4. **Mobile application** - Startup India enables companies to register through their mobile application and upload relevant documents. There will also be single window clearances for approvals, registrations and filing compliances among other things.
5. **Patent Protection** - Patent filing process will be simplified. The Startup will enjoy a rebate of 80% of the fee in the patent application. The startup will bear only the statutory fees and the government will bear all facilitator fees.
6. **Learn from the best** - The Startup India program will encourage research and innovation among students who are aspiring

entrepreneurs and seven new research parks will be set up to provide facilities for startups in the R&D sector.

7. **Equal opportunities** - will be provided for both startups and experienced entrepreneurs. Earlier this was not possible because all applicants required either 'prior experience' or a 'prior turnover'. But now, public appropriation norms have been relaxed for startups.

Registration Process

I. Incorporating the business:

Incorporate the business as a Private Company, LLP or Registered Partnership and obtain necessary certificates.

II. Register with Startup India portal:

Log on to the Startup India website (www.startupindia.gov.in) and register your business as a startup and fill up the form with details of your business. Upload all the necessary documents, remember all documents should be uploaded in PDF format. The documents that are needed to be upload are -

- A letter of recommendation must be proposed along with any of the following -
 - An Incubator established in a post-graduate college in India must provide a recommendation (regarding innovative nature of business) from in a format specified by the Department of Industrial Policy and Promotion (DIPP), OR

- A letter of support by an incubator, which is funded (in relation to the project) by Government of India as part of any specified scheme to promote innovation, OR
- An Incubator recognized by the Government of India has to provide a letter of recommendation (regarding innovative nature of business) in DIPP specified format, OR
- Any Incubation Fund/Angel Fund/Private Equity Fund/Accelerator/Angel Network with not less than 20% in equity, duly registered with SEBI that endorses innovative nature of the business has A letter of funding, OR
- A letter of funding by Government of India or any State Government as part of any specified scheme to promote innovation, OR
- A patent filed and published in the Journal by the Indian Patent Office in areas affiliated with the nature of the business being promoted.

- Incorporation/Registration Certificate - Upload the certificate of Incorporation of your company/Limited Liability Partnership.

- Description of your business in brief – provide a brief description of your products and services and in what way it is innovative in nature. Remember it the product should be innovative, original, and must feature new methods or a new procedure to an old traditional process.

III. Determining to avail tax benefits:

Startups are relaxed from payment of income tax up to 3 years. These benefits can be availed only if they get certified by the Inter-Ministerial Board (IMB). Startups recognized by DIPP, Govt. of India can now directly avail Intellectual Property Rights (IPR) related benefits without requiring any additional certification from IMB by just clicking "Yes" and the application would be shared with the Inter-Ministerial Board for evaluation.

IV. Conditions to be fulfilled for Startup India recognition:

- Your company must be registered as a Private Limited Company or Partnership firm or a Limited Liability Partnership.
- Your business should not be incorporated / registered in India before five years.
- Turnover must be less than 25 crores per year.
- The business must be operating towards innovating something new or significantly upgrading the existing technology.
- The startup business should not be an outcome of remodeling of an existing business.

V. Instantly get your recognition number

The certificate of recognition will be assigned after examination of all your documents and a recognition number will be received via email. The application may also be rejected if any of the requirement are not fulfilled. If any required document is

not uploaded or any wrong document has been uploaded or even a document is considered to be a forged, it will lead you to pay a fine of 50% of your paid-up capital of the startup with a minimum fine of Rs. 25,000.

Other facilities associated with Startup India Program

Acknowledging Startup

An important role of an entrepreneur is to beat the competition in the market but before that it is necessary to accede the competition and derive a spine-tingling business strategy. A registered startup will get to know about all the other startups in the same industry which will help to develop a road map for stepping up.

Networking

The word networking is a business strategy which pulls with itself all the strings related to attracting investors, bagging opportunity, raising awareness among customer, and creating a brand image.

Investors

Investors are also the speculators of your business. A registered startup will get to pitch about themselves to a wide pool of investors and give them a chance to create a sort of trust in your business.

Mentor

A mentor allows you to see the hope inside yourself. A registered startup can search the right mentor who has gone through all the tough times that they are going to experience now for the survival of the business.

Accelerator

Accelerators are the one who provide backing for scaling up your business after surviving through the introductory stage.

Government Department

Many government departments are registered with the portal so that the startup can have access to them with ease.

Access available to Startup

A registered startup will get to access multiple tools available online along with hassle free usage of resources available online on the Startup India portal –

- Knowledge bank

It is available online which provides all the whereabouts necessary for a startup such as key terms, stakeholders, legal requirements, statistical data, analysis of business and more.

- Partnered services

This includes reaching to all the partnered service provider such as banks, legal firms and cloud services and availing the best services available by top service providers.

- Templates

Templates are available to download for almost every function such as legal, HR, customer etc which could ease the way of getting things done with least manpower and money.

Startup Events and Programs

Being active all the time and knowing where you stand in the business is essential nowadays. Thus, government and other

private bodies host the below mentioned program for startups –

- Online Courses

Learning never stops thus an entrepreneur can always brush up his skills to remain consistent through various online courses available on the portal

- Innovative Challenges

Opportunity to participate in various challenges that help to create an identity along with meeting to mentor and incubator.

Conclusion

Startup India Movement aims to transform lucid entrepreneurial dreams and ideas into reality which facilitates the overall development of the country not only by increasing employment or developing quality product but also by setting a benchmark on the world's industrial development sector.

We would be happy to assist you in getting your startup recognised under Startup India program, to know more [get in touch with our team](#).



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About Lawgical Startup

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We are a team of Company Secretaries and Chartered Accountants having rich experience working with startups across various industries. Our focus is to make sure that our clients never have to worry about any statutory requirements or messy paper work involved in the process.

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