

### Learn how to register your Start-up under Start-up India Policy

#### I. What is Start-up India?

Start-up is one of the proposals of the government of India in order:

- a. to build a strong eco-system for promotion novelty
- b. generate large scale employment opportunities
- c. Main aim is empower Start-ups to grow through innovation and design.

The government has instigated the actions plan in order to speed up the process.

- a. Furthermore the government has covered wide sectors including agriculture, manufacturing, social sector, healthcare, education, etc.
- b. In its plan has not only an included Tier 1 and Tier 2 city but also semi-urban and rural areas.

#### II. The Action Plan is divided across the following areas:

- Simplification and Handholding
- Funding Support and Incentives
- Industry-Academia Partnership and Incubation

The plan was publicize by the Government of India on 16<sup>th</sup> January, 2016 and the same has been put up for action on 1<sup>st</sup> April, 2016 when the government launched its website on start-up.

**By the notification** dated 17<sup>th</sup> February, 2016, *an entity in order to be considered as a 'Start-up' has to fulfill following conditions—*

- a) Up to five years from the date of its incorporation / registration,
  - b) If its turnover for any of the financial years has not exceeded Rupees 25 crore,
- and
- c) if It is working towards innovation, development, employment or commercialization of new products, processes or services driven by technology or intellectual property;

It has been specified that splitting up or reconstruction of a business already in existence shall not be considered a 'Start-up';

#### III. WHEN WOULD AN ENTITY CEASE TO BE A START – UP

An entity would cease to be a start-up upon expiry of:

- a) 5 years from the date of its incorporation / registration OR,
- b) If its turnover for any of the financial years has exceeded INR 25 crore;

Once an entity has ceased to be a start-up, it will be mandatory for them to intimate DIPP (Department of Industrial Policy & Promotion), Ministry of Commerce and Industry about the same within a period of 21 days.

#### IV. Learn How To Register Your Start-Up Under Start-Up India Policy

If an individual want to register a start-up they have to visit the site given below:

<http://startupindia.gov.in/registration.php> , fill in the entire information from Entity Details, Full Address (Office), Authorized Representative Details to Director(s) / Partner(s) Details along with Supporting Documents and Self-Certification and other relevant information

Once you have completed the registration you will get a system generated verifiable certificate of recognition.

#### V. **How will a Start-up be recognized?**

In order to get recognition, the startups needs to submit application with the following documents.

a) a recommendation (with regard to innovative nature of business), in a format specified by Department of Industrial Policy and Promotion, from any Incubator established in a postgraduate college in India; or (format has been)

b) a letter of support by any incubator which is funded (in relation to the project) from Government of India or any State Government as part of any specified scheme to promote innovation; or (format has been attached)

c) a recommendation (with regard to innovative nature of business), in a format specified by Department of Industrial Policy and Promotion, from any Incubator recognized by Government of India; or (format has been attached)

d) a letter of funding of not less than 20 per cent in equity by any Incubation Fund/Angel Fund/Private Equity Fund/Accelerator/Angel Network duly registered with Securities and Exchange Board of India that endorses innovative nature of the business. Department of Industrial Policy and Promotion may include any such fund in a negative list for such reasons as it may deem fit; or (format has been attached)

e) a letter of funding by Government of India or any State Government as part of any specified scheme to promote innovation; or

f) a patent filed and published in the Journal by the Indian Patent Office in areas affiliated with the nature of business being promoted.

The list of incubators recognized for the purpose of (a), (b) and (c) are published on the Start-up India portal for reference. (List attached)

The list SEBI registered funds for the purpose of (d) is also available on the Start-up India portal. (List attached)

#### VI. **How to validate that a Start-up has been recognized?**

Once you have registered as a start-up visit the link <http://startupindia.gov.in/search.php> and fill in the certificate No and entity name, in this way you can validate whether start-up has been recognized or not.

#### VII. **What are the benefits that a start-up can claim?**

Recognized Start-ups who obtains a certificate of an eligible business from the Inter-Ministerial Board shall be given 100% tax exemption on profits made in any three out of their first five years. However, Minimum Alternate Tax (MAT) will apply in such cases.

**VIII. Benefits on IPR to Start-ups:**

- a. In order to permit start-ups to understand the worth of their IPRs at the earliest possible, patent applications of the start-ups shall be dealt on speed track for examination and disposal.
- b. Board of facilitator shall offersupport for start-ups in filing and disposal of patent applications related to patents, trademarks and design under relevant Acts.
- c. The entire fee of the facilitators shall be borne by Government for any number of patents, trademarks or designs that a start-up may file.
- d. Furthermore, Start-ups shall be offered an 80% rebate in filing patents vis-a-vis other companies.

This is one of the crucial steps taken by the government of India from the standpoint of "Make in India". A single stage for registering a Start-up was much needed and it has been fulfilled by the government of India.