

## STARTUP INDIA SCHEME

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Startup India is a flagship initiative launched by the Government of India on 16<sup>th</sup> January, 2016 to build a strong Eco-system for nurturing innovation and startups in the country which will drive economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower startups to grow through innovation and design. The salient features of Startup India are as follows:

sn	Particulars	Scheme details
1	Eligibility criteria	The startup must be registered as a Private Limited Company, Limited Liability Partnership (LLP), or a Registered Partnership Firm. This requirement ensures that only formalized entities can benefit from the scheme.
2	Age of the startup	The entity should not be older than ten years from its date of incorporation. This criterion ensures that the scheme supports young ventures with high growth potential rather than established businesses looking for additional benefits.
3	Annual Turnover limit	The startup's annual turnover must not exceed ₹100 crores in any financial year since its inception. This limit helps identify genuinely nascent businesses that require support during their early stages.
4	Innovation focus	The startup should focus on innovation or improvement in products or services. It should aim at developing new technologies or processes that contribute significantly to its field. This focus on innovation is critical in ensuring that only those startups that are genuinely seeking to

		disrupt markets receive recognition under this scheme.
5	No reconstruction clause	Entities formed by splitting up or reconstructing an existing business are not eligible for recognition under this scheme. The startup must be an original venture aiming at creating something new in the marketplace.
6	How to apply for startup India recognition	Create an account on startup India portal duly filling the form and uploading the documents. <a href="https://www.startupindia.gov.in/">https://www.startupindia.gov.in/</a>
7	Key benefits	<p><b>Easy Registration Process</b></p> <p>Firstly, startups can register through the Startup India portal with minimal documentation. The process is designed to be quick and hassle-free, allowing entrepreneurs to focus on their business rather than bureaucratic processes. This ease of registration is one of the standout Startup India benefits, as it significantly reduces time and effort.</p> <p><b>2. Tax Exemptions</b></p> <p>Also, one of the most attractive Startup India benefits is its provision for tax exemptions. Startups recognized under this scheme can avail of a 100% tax exemption on profits for three consecutive years out of their first ten years of incorporation. This benefit allows startups to reinvest their earnings into growth initiatives, making it easier to scale operations without being burdened by tax liabilities.</p>

	<p><b>3. Funding Opportunities</b></p> <p>Access to funding is crucial for any startup's success. The Startup India initiative facilitates access to funding through a Fund of Funds (FoF) program that allocates ₹10,000 crores to support startups via registered Alternative Investment Funds (AIFs). This financial backing can help startups secure investments that are essential for scaling their operations.</p> <p><b>4. Patent Support</b></p> <p>Intellectual property protection is vital for startups aiming to innovate. Under the Startup India scheme, startups can receive an 80% rebate on patent costs, significantly reducing the financial burden associated with protecting intellectual property. Additionally, the government covers facilitation fees for patent applications, encouraging startups to secure their innovations effectively.</p> <p><b>5. Self-Certification for Compliance</b></p> <p>Startups can self-certify compliance with certain labor laws and environmental regulations, reducing the need for inspections for up to five years. This self-certification process simplifies compliance requirements, allowing entrepreneurs to focus more on their core business activities rather than regulatory hurdles.</p> <p><b>6. Credit Guarantee Fund</b></p> <p>To enhance creditworthiness, the government has established a Credit Guarantee Fund that provides guarantees for loans taken by startups from banks. This initiative helps mitigate risks associated with lending, making it easier for</p>
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		<p>startups to access capital without stringent collateral requirements.</p> <p>7. Faster Exit Mechanism</p> <p>In case a startup needs to wind up operations, the Startup India scheme offers a simplified bankruptcy process that allows businesses to close down within 90 days if necessary. This quick exit mechanism provides entrepreneurs with peace of mind, knowing they have a clear path if things don't go as planned.</p> <p>8. Support from Incubators</p> <p>Startups can partner with government-recognized incubators that provide mentorship, resources, as well as networking opportunities. These incubators play a crucial role in nurturing startups by offering guidance from experienced professionals and also access to valuable industry contacts.</p>
8	Credit guarantee cover	Available upto Rs 20 crores.
9	Government grants for startups	<ol style="list-style-type: none"> <li>1. <b>Startup India Seed Fund (SISFS)</b> - <a href="http://seedfund.startupindia.gov.in">seedfund.startupindia.gov.in</a> Grants for idea validation and product development</li> <li>2. <b>Genesis</b> - <a href="http://msh.meity.gov.in/schemes/genesis">msh.meity.gov.in/schemes/genesis</a> Incubation support for innovative startups</li> <li>3. <b>MSME Innovative Scheme</b> - <a href="http://msme.gov.in">msme.gov.in</a> Up to ₹15L for innovative MSME projects</li> <li>4. <b>Biotechnology Ignition Grant (BIG)</b> - <a href="http://birac.nic.in">birac.nic.in</a> Up to ₹50L for biotech startups</li> <li>5. <b>Digital India Bhashini Initiative</b> - <a href="http://bhashini.gov.in">bhashini.gov.in</a> Grants for Indian language-based tech/AI innovations</li> <li>6. <b>NIDHI-PRAYAS</b> - <a href="http://nidhi.dst.gov.in">nidhi.dst.gov.in</a> ₹10L prototyping grant</li> </ol>

		<ol style="list-style-type: none"> <li>7. <b>Multiplier Grants Scheme (MGS)</b> - <a href="http://indiascienceandtechnology.gov.in">indiascienceandtechnology.gov.in</a> Govt matches industry R&amp;D funding</li> <li>8. <b>Rashtriya Krishi Vikas Yojana (RAFTAAR)</b> - <a href="http://rkvv.da.gov.in">rkvv.da.gov.in</a> Grants for agri-tech startups</li> <li>9. <b>Smart India Hackathon (SIH)</b> - <a href="http://sih.gov.in">sih.gov.in</a> Innovation grants for students and professional teams</li> <li>10. <b>TIDE 2.0 Scheme</b> - <a href="http://msh.meity.gov.in/schemes/tide">msh.meity.gov.in/schemes/tide</a> ICT-focused startup support via MeitY incubators</li> <li>11. <b>Credit Guarantee Fund (CGTMSE)</b> - <a href="http://cgtmse.in">cgtmse.in</a> Collateral-free loans for MSMEs</li> <li>12. <b>IDEX</b> - <a href="http://idex.gov.in">idex.gov.in</a> Grants for defense and aerospace tech startups</li> <li>13. <b>STPI Grant</b> - <a href="http://stpi.in">stpi.in</a> Incubation and funding for IT &amp; ESDM startups</li> <li>14. <b>SAMRIDH Scheme</b> - <a href="http://msh.meity.gov.in/schemes/samridh">msh.meity.gov.in/schemes/samridh</a> Up to ₹40L for product development and scaling</li> <li>15. <b>SIP-EIT</b> - <a href="http://indiascienceandtechnology.gov.in">indiascienceandtechnology.gov.in</a> Patent filing support for electronics &amp; IT startups</li> <li>16. <b>ASPIRE Scheme</b> - <a href="http://aspire.msme.gov.in">aspire.msme.gov.in</a> Promotes rural innovation &amp; livelihood-based entrepreneurship</li> <li>17. <b>CLCSS</b> - <a href="http://clcss.dcmsme.gov.in">clcss.dcmsme.gov.in</a> 15% capital subsidy for tech upgradation for MSMEs</li> <li>18. <b>Dairy Processing Infrastructure Development Fund (DIDF)</b> - <a href="http://dahd.gov.in/schemes/programmes/didf">dahd.gov.in/schemes/programmes/didf</a> Grants for dairy processing units and supply chain infrastructure</li> <li>19. <b>TDB Grants</b> - <a href="http://tdb.gov.in/modes-funding">tdb.gov.in/modes-funding</a> Grants for tech development and commercialization</li> <li>20. <b>NSIC Subsidy</b> - <a href="http://nsic.co.in">nsic.co.in</a> Marketing, finance, and tech support for MSMEs</li> <li>21. <b>MGIRI Grants</b> - <a href="http://mgiri.org">mgiri.org</a> Grants for startups focused on village industries</li> </ol>
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Compiled by G Rajender Reddy General secretary TIA