



ISSN (E): 2277-7695
ISSN (P): 2349-8242
NAAS Rating: 5.23
TPI 2022; SP-11(6): 2630-2636
© 2022 TPI

www.thepharmajournal.com

Received: 27-03-2022

Accepted: 30-04-2022

Dilip Rasiklal Vahoniya
IABMI, AAU, Anand,
Gujarat, India

Jerul Halpati
IABMI, AAU, Anand,
Gujarat, India

Sukanya Baruri
IABMI, AAU, Anand,
Gujarat, India

Anil Garval
NAHEP, IABMI, AAU, Anand,
Gujarat, India

Start-up India: Eligibility, benefits and current scenario

Dilip Rasiklal Vahoniya, Jerul Halpati, Sukanya Baruri and Anil Garval

Abstract

Startup India is an innovatory scheme that has been started to help the people, who want to start their own business with an ideas and capability, so the government will give them support to make sure they can implement their idea & grow. Startup India is a Government of India creativity to promote entrepreneurship in India. Success of this scheme will eventually make India, a better economy and a strong nation. The paper focuses more on the kind of business eligible for the startup, benefits of startup and the current scenario of startup in India and in Gujarat. Also through this paper researcher try to highlight the different 124 schemes under the startup India Initiative.

Keywords: Startup, entrepreneurship, DPIIT

Introduction

Startup India is an innovatory scheme that has been started to help the people, who want to start their own business. These people have ideas and capability. So the government will give them support to make sure they can implement their idea & grow. The Government of India was launched the “Start-up India,” program on January 16th, 2016 in New Delhi.

What is a start up?

According to the Government notification is being issued in supersession of the Gazette Notification No. G.S.R. 364(E) on April 11, 2018 as modified vide Gazette Notification No. G.S.R. 34 (E) on January 16, 2019 by DPIIT.

Definitions

1. In this announcement

a. An entity shall be measured as a Startup

- Any entity Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as well-defined in the Companies Act, 2013) or listed as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India.
- Income of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred Crore rupees.
- Entity is working in the direction of innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or restoration of an existing business shall not be considered a ‘Startup’.

Explanation a Company shall cease to be a Startup on completion of ten years from the date of its incorporation/ registration or if its turnover for any previous year exceeds one hundred crore rupees.

A start up, also known as a start-up, is a company or project launched by an entrepreneur in order to seek, develop, and validate a scalable business model. While entrepreneurship refers to all new businesses, including self-employment and businesses that will never be registered, startups refer to new businesses that intend to grow beyond the solo founder.

Eligibility under startup

Under the Startup India initiative, eligible companies can get accepted as Startups by DPIIT (Department for Promotion of Industry and Internal Trade), in order to access a host of tax

Corresponding Author
Dilip Rasiklal Vahoniya
IABMI, AAU, Anand,
Gujarat, India

benefits, easier compliance, IPR fast-tracking & more. A company must meet the following criteria to be considered eligible for DPIIT startup recognition, and to be eligible for enjoying all the incentives under various schemes of Startup India advantage.

An entity shall be measured as a Start-up when

- 1. Company Type:** If it is incorporated as a private limited company or recorded as a partnership firm or a limited liability partnership in India
- 2. Company Age:** Any entity Up to ten years from the date of its incorporation/registration
- 3. Annual Turnover:** If its income for any of the financial years since incorporation/registration has not exceeded INR 100 Crores
- 4. Innovative & Scalable:** If it is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high prospective of employment generation or wealth creation
- 5. Original Entity:** An Entity should not have been formed by splitting up or reconstructing an already existing business. (<https://www.startupindia.gov.in>)

Benefits under the Startup India

DPIIT accepted startups can get the following benefits under the Startup India Initiative:

1. Self-Certification
2. Startup Patent Application and IPR
3. Tax Exemption under 80IAC
4. Section 56 Exemption
5. Easy winding up of Company
6. Easier Public Procurement Norms

Let's discuss each benefit in detail

1. Self-Certification

Objective

To reduce the regulatory burden on Startups, thereby allowing them to focus on their essential business and keep compliance costs low.

Benefits

- Startups shall be allowed to be self-certify agreement for 6 Labour Laws and 3 Environmental Laws through a simple online procedure.
- In the case of labour laws, no assessments will be conducted for a period of 5 years. Startups may be examined only on receipt of credible and verifiable complaint of violation, filed in writing and sanctioned by at least one level senior to the inspecting officer.
- In the case of environment laws, startups which fall under the 'white category' (as defined by the Central Pollution Control Board (CPCB)) would be able to self-certify agreement and only unplanned checks would be carried out in such cases

Labour Laws

- The Building and Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
- The Inter-State Migrant Workmen's (Regulation of Employment & Conditions of Service) Act, 1979
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act,

1970

- The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
- The Employee's State Insurance Act, 1948

Environment Laws

The three environmental laws which includes 1. The Water (Prevention & Control of Pollution) Act, 1974, 2. The Water (Prevention & Control of Pollution) Cess (Amendment) Act, 2003 and 3. The Air (Prevention & Control of Pollution) Act, 1981

Eligibility

DPIIT recognised startups that are within the 5 years of incorporation. Apply for DPIIT recognition, click on "Get Recognised" below.

Registration Process

1. To go to the Shram Suvidha Portal of the Ministry of Labour and Employment then click on startup scheme tab.
2. Register at Shram Suvidha Portal and then login.
3. After successful login, click on link "Is Any of your Establishment a Startup?"
4. Then Follow the instructions.

2. Startup Patent Application and Intellectual Property Right (IPR)

Objective

- Innovation is the bread and butter of startups. Patents are a way of protecting innovative new ideas that give your company a competitive edge, patenting your product or process can naturally increase its value and the value of your company.
- However, filing a patent has traditionally been an expensive and time consuming process which can be out of the reach of many startups.
- The objective is to reduce the cost and time taken for a startup to acquire a patent, making it financially viable for them to protect their innovations and boosting them to innovate further.

Benefits

Fast-tracking of Startup Patent Applications

Patent applications filed by startups shall be fast-tracked for inspection so that their value can be realised sooner.

Panel of organizers to assist in filing of IP applications

For effective use of the scheme, a panel of "organizers" shall be empanelled by the Controller General of Patents, Designs and Trademarks (CGPDTM), who shall also regulate their conduct and functions. Organizers will be responsible for providing general advisory on different intellectual property as well as information on protecting and promoting intellectual property in other countries.

Government to bear facilitation cost

Under this scheme, the Central Government shall bear the entire fees of the organizers for any number of patents, trademarks or designs that a Startup may file, and the Startups shall bear the cost of only the legal fees payable.

Rebate on filing of application

Startups shall be provided an 80% refund in filing of patents

vis-a-vis other companies.

Eligibility

The startup needs to be DPIIT recognised.

Registration Process

You should reach out to an appropriate Helper - depending on your desired sector and the jurisdiction of the facilitators for up-to-date information about the process and required documents for a patent or trademark application. Follow the www.startupindia.gov.in/content/sih/en/startup-scheme.html link for Trademark Helpers and Patent Helpers.

Grievance Redressal

Write to dipp-startups@nic.in for any queries

3. Tax Exemption under 80IAC

Benefits

Eligible startups can be freed from paying income tax for 3 sequential financial years out of their first ten years since incorporation.

Eligibility

- The entity should be a DPIIT accepted startup
- Only Private Limited Companies or Limited Liability Partnerships are qualified for tax exemption under Section 80IAC
- The startup should have been come into existence after 1st April, 2016

Registration Process and Documents

Registration Process

- Register on the Startup India portal and Click on to register tab
- Post registration; apply for the DPIIT (Department for Industrial Policy and Promotion) recognition.
- Get the Section 80 IAC exemption application form
- Fill all details with the declared documents uploaded and submit the application form

Registration Documents

- (MOA) Memorandum of Association for Pvt. Ltd. / LLP Deed
- Board Resolution (If Any)
- Annual Accounts of the startup for the previous three financial years
- Income Tax returns (ITR) for the previous three financial years

Process after Applying

- Refer to your Dashboard on the Startup India website Portal for the status of your application. This can be highlighted on the top right of the page after you log in.
- For any follow up, queries and concerns, write to dipp-startup@nic.in

4. Section 56 Exemption

Benefits

- Exemption under Section 56(2)(VIIB) of the Income Tax Act
- Investments into eligible startups by listed organizations with a net worth of more than INR 100 Crore or turnover of more than INR 250 Crore shall be exempt under

Section 56 (2) VIIB of the Income Tax Act

- Investments into eligible Startups by Accredited Investors, Non-Residents, AIFs (Category I), and listed organizations with a net worth more than 100 crores or turnover of more than INR 250 Crore, shall be exempt under Section 56(2)(VIIB) of Income Tax Act
- Consideration of shares received by eligible Organizations shall be exempt up to an aggregate limit of INR 25 Crore.

Eligibility

- Should be a private limited company
- Should be a DPIIT recognised startup. To get DPIIT recognition, click on "Get Recognised" through the URL <https://www.startupindia.gov.in/>
- Not Investing in specified asset classes
- Startup should not be investing in immovable property, transport vehicles above INR 10 Lakh, Loans and advances, capital contribution to other entities, except in the ordinary course of business

Registration Process

- Register your Startup profile on the Startup India Portal.
- Get DPIIT Recognition.
- File the up Section 56 Exemption application form www.startupindia.gov.in/content/sih/en/Form-56.html
- You should receive an email for CBDT within 72 hours of submitting the declaration.

5. Easy winding up of Company

Objective

- To build it easier for Startups to finish off or finish up operations, with the target of permitting entrepreneurs to apportion capital and resources to a lot of productive avenues quicker.
- To encourage entrepreneurs to experiment with new and innovative concepts, while not having to face complicated and long-drawn exit processes wherever their capital becomes interminably stuck within the event of business failure.

Benefits

- As per the Insolvency and Bankruptcy Code, 2016, startups with easy debt structures, or those meeting sure income such that criteria* is wound up inside ninety days of filing an application for insolvency.
- An insolvency skilled shall be appointed for the Startup, who shall thenceforth be in charge of the corporate (the promoters and management shall now not run the company) as well as liquidation of its assets and paying its creditors among six months of such appointment.
- Upon appointment of the insolvency skilled, the liquidator shall be responsible for the swift closure of the business, sale of assets and reimbursement of creditors in accordance with the distribution waterfall began within the IBC. This method can respect the concept of limited liability.

Eligibility and Process

Visit-<http://www.ibbi.gov.in/>

6. Easier Public Procurement Norms

Objective

- Public procurement refers to the process by which

government and state-owned organisation purchase products and services from the private sector.

- Public procurement refers to the process by which government and state owned organizations purchase products and services from the private Sector.
- Government agencies have a lot of money to spend, and they might be a major market for start up
- The goal is to make it easier for firms to participate in public procurement processes and gain access to a new market for their products

Benefits

- The ability to list your goods on the Government e-Marketplace: The Government e-Marketplace (GeM) is an online procurement platform and the largest marketplace for government departments to acquire products and services. Startups that have been recognised by the DPIIT can register as merchants on GeM and offer their goods and services directly to government agencies. This is a fantastic chance for businesses to collaborate with the government on trial orders.
- Prior Experience/Turnover Exemption: In order to foster startups, the government would exempt manufacturing companies from the "prior experience/turnover" criteria without compromising the stated quality standards or technical parameters. Startups must also show that they have the necessary capabilities to complete the project according to the specifications and that they have their own manufacturing facility.
- [https://www.startupindia.gov.in/content/dam/investindia/Templates/public/notification/Relaxed_Norms_of_Public_Procurement_for_Startups.pdf](https://www.startupindia.gov.in/content/dam/investindia/Templates/public/notification/Relaxed_Norms_of_Public_Procurement_for_Startups/1.%20Relaxed_Norms_of_Public_Procurement_for_Startups.pdf)
- EMD Exemption: DPIIT-recognized startups are no longer required to submit an Earnest Money Deposit (EMD) or bid security when applying for government contracts.
20%20NotificationEMDExemption.pdfhttps://www.startupindia.gov.in/content/dam/investindia/Templates/public/notification/Relaxed_Norms_of_Public_Procurement_for_Startups/2.

Eligibility

Startup should be recognized by the Department of Business Promotion and Internal Trade. Move to <https://www.startupindia.gov.in/content/sih/en/Startupgov/startup-recognition-page.html> for additional information
Grievance Redressal

Write to dipp-startups@nic.in for any queries

Scenario

Scenario of Startups in India:

According to the Economic Survey 2021-22, Asian Country has over 61,400 startup recognized by the department for Promotion of Industry and Internal trade (DPIIT), with a minimum of 14,000 recognized throughout business 2022. The survey is an annual economic report that examines the performance of varied sectors and suggests future moves. It

conjointly includes a GDP growth forecast per the survey, 555 districts in Asian country had a minimum of one new start up, demonstrating that start up in Asian country have full grown dramatically over the last six year, with the bulk of them within the IT/knowledge based sectors. (www.startupindia.gov.in)

"Startups in India have grownup remarkably over the last six years. The number of new recognized startups has increased to over 14,000 in 2021-22 from only 733 in 2016-17," the survey said. According to the report, India has become the third-largest startup ecosystem in the world after the US and China. According to the survey, a record 44 Indian startups achieved unicorn status in 2021, bringing the total number of startup unicorns in India to 83, with the majority in the services sector. The survey also highlighted the string of IPOs by new-age companies.

"In April-November 2021, Rs 89,066 crores were raised through seventy five IPO problems, a lot more than in any year in the last decade," it said. The survey also conjointly to the expansion of area tech startups in India. The number of startups within the sector has increased from eleven in 2019 to forty seven in 2021, according to the survey. In recent years, Delhi has replaced Bengaluru as the startup capital of India. Over 5,000 recognised startups. (Economic Survey 2021-22) Scenario of startups in Gujarat: (<https://startup.gujarat.gov.in/home>)

The State of Gujarat is well known for its entrepreneurial identity due to that, it's emerged united of the foremost sought-after start-up destinations. In Gujarat, there's an associate initiative named Startup Gujarat. Startup Gujarat could be a platform to assemble, evaluate and promote innovations that permit the startup of your business.-Shri Bhupendrabhai Patel, Hon'ble Chief Minister of Gujarat

- Registered over 8450 start-ups and supported over 180 centers or incubators across the state with the support of over INR 200 core.
- Established over 100 Patent data centers in varied educational institutions.
- More than 900 patents are filed with support from the regime.
- Established over 30 scientific community centers at the regional and district levels.
- Supporting incubators and centers to arrange varied programs i.e., boot camps, hackathons, acceleration programs, etc.
- 'Prime Minister's Award for Excellence publicly Administration 2017', for no-hit implementation of Start-Up India program.
- 'Best Performer' in National Start-up Ranking consecutively in 2018 and 2019

Government Schemes under the startup India initiative

Government schemes under the start-up India initiative under this flagship initiative of the government of India. That's start-up India, currently, 124 totally different schemes are available. Which has all common edges of start-up India, as mentioned earlier, together with several custom benefits counting on the sector, scheme the theme caters?

Table 1: Government Schemes under the startup India initiative

Sr. No	Name of the Schemes
1	Venture Capital Assistance Scheme
2	Support For International Patent Protection in Electronics & Information Technology
3	Stand-up India
4	Single Point Registration Scheme
5	Extra Mural Research Funding
6	High-Risk High Reward Research
7	IREDA NCEF Refinance Scheme
8	Dairy Entrepreneurship Development Scheme
9	Revamped Scheme of Funding For Regeneration of Industries
10	Assistance To Professional Bodies & Seminars/Symposia
11	Scheme To Support IPR Awareness Workshops/Seminars In E&IT Sector
12	Biotechnology Ignition Grant
13	Small Business Innovation Research Initiative
14	Biotechnology Industry Partnership Programme
15	Pradhan Mantri Mudra Yojana
16	4E(End To End Energy Efficiency)
17	Sustainable finance scheme
18	Promoting innovations in individuals, start-ups and MSMEs
19	NewGen Innovation And Entrepreneurship Development Centre
20	International cooperation scheme
21	Enhancement of competitiveness in the Indian capital goods sector
22	Bridge loan against generation based incentive claims
23	ASPIRE
24	Ayurvedic biology Programme
25	Technology development Programme
26	Software technology Parks team
27	Self-employment lending schemes-Credit Line 2- Term Loan Scheme
28	Virasat a credit scheme for Crafts persons
29	Self-employment lending schemes- Credit Line 1- Term loan scheme
30	Self-employment lending schemes – Credit Line 1-micro financing scheme
31	Self-employment of lending scheme - Credit Line 1- Mahila Samridhhi Yojana
32	Self-employment lending scheme -credit line 2- micro financing scheme
33	Coir Udyami Yojana
34	Informediary services
35	Raw material assistance scheme
36	Coir Vikas Yojana
37	Credit facilitation through bank
38	NSIC Infrastructure scheme-IT Incubator
39	Joint advertising support by Ministry of tourism
40	Brochure support by Ministry of tourism
41	Marketing assistance scheme
42	Procurement and marketing support scheme
43	Time share resort
44	Travel trade
45	National awards(Individual MSEs)
46	National manufacturing competitiveness programme
47	Composite loan
48	Performance and credit rating scheme
49	Marketing development assistance for promotion of domestic tourism
50	Marketing development assistance for promotion of domestic tourism for medical/wellness tourism
51	Assistance under scheme for setting up tea boutiques in India for domestic Promotion
52	Swarojgar credit card
53	Material testing labs
54	Self employment and talent utilisation
55	Micro exporters policy
56	Export development and promotion of spices
57	Reimbursement of certification fees
58	Marketing support and assistance to MSMEs(Bar code)
59	Lean manufacturing competitiveness for MSMEs
60	Entrepreneurial and managerial development
61	Amended technology up gradation fund scheme
62	Venture capital by SIDBI Venture capital Ltd.
63	Tex venture fund
64	Samridhhi fund.
65	Export promotion capital goods scheme
66	Central sector scheme for promotion of international cooperation in AYUSH

67	Credit guarantee fund trust for micro and small enterprises
69	The design clinic scheme
70	Science and Technology (S&T) for Coir Institutions
71	Research and development in processed food
72	Creation / Expansion of Food Processing & Preservation Capacities
73	The Women Entrepreneurship Platform
74	National Urban Livelihoods Mission
75	Electronics Hardware Technology Park Scheme
76	Skill development initiative
77	Udaan training programme for unemployed youth of J&K
78	Duty exemption and remission scheme
79	Support to training and employment programme for women
80	Comprehensive Handloom Cluster Development Scheme
81	Apprenticeship training
82	Trade Related Entrepreneurship Assistance and Development scheme for women
83	Cent Kalyani scheme
84	Infomediary services
85	Marketing intelligence services
86	Prime Minister 's employment generation programme
87	National Skill Certification & Monetary Reward
88	Pradhan Mantri Kaushal Vikas Yojana
89	Craftsmanship training
90	Skill Development in 34 Districts Affected by Left Wing Extremism
91	Upgradation of 1396 ITIs through PPP
92	Agro processing clusters scheme
93	Apparel Park
94	Research and Development of textiles
95	Rental for warehousing
96	Promotion of packaged tea of Indian origin
97	Participation in International Fairs and Exhibitions with Tea Board
98	Bridge Loan against MNRE Capital Subsidy payable to Accredited Channel Partners and State Nodal Agencies (SNA) for claims against installation of Solar Water Heating Systems
99	Atal Mission For Rejuvenation and Urban Transformation.
100	Drugs and pharmaceutical research
101	Mega clusters
102	Development/Up gradation of Watermills and setting up Micro Hydel Projects(upto 100KW capacity)
103	Research, Design, Development, Demonstration (RDD&D) and Manufacture of New and Renewable Energy
104	Wind resource Assessment in uncovered /New areas Under NCEF Scheme
105	Capital investment subsidy scheme under NB
106	Capacity building and technical assistance
107	Corporate finance (North-Eastern Development Finance Corporation Ltd.)
108	Equipment finance (North-Eastern Development Finance Corporation Ltd.)
109	Initiative for Development of Entrepreneurs in Agriculture
110	Micro Finance Scheme
111	Equity funds scheme
112	NEDFi Opportunity Scheme for Small Enterprises
113	North-east entrepreneurs development
114	North-east handloom handicrafts
115	Rupee term loan
116	Working capital term loan
117	WCTL for Contract Finance
118	Women enterprise development
119	North-Eastern region urban development programme
120	North-east rural livelihoods project
121	Advertising and Publicity by the Ministry of Development of North-Eastern Region
122	Central sector scheme for MSMEs
123	Technology development fund
124	Digital communication innovation Square

Conclusion

Startup India may be a flagship initiative of the government of India that aims to form a powerful system for nurturing innovation and startups within the country, thereby driving long-run economic process and creating large-scale job opportunities. Through this initiative, the government hopes to empower startups to grow through innovation and style. This new start-up initiative promises faster approvals for starting a business, easier exits, tax breaks, and faster patent

registration. This initiative has the potential to create jobs at a time when the manufacturing sector is in decline. These schemes are critical in promoting startups in India and improving the startup ecosystem. India's ranking in terms of easy doing business has conjointly improved. These initiatives contribute to the creation of more job opportunities for Indian youth. This scheme will directly assist people in starting their own successful businesses. With the help of these initiatives, our country can transition from a country of job seekers to a

country of job givers in the near future.

References

1. Chatterjee D. Startup India-A step towards prosperity. International Journal of Research and Analytical Reviews. 2020;9(3):108-116.
2. Mittal B, Garg S. A Conceptual Study of Startup India-A Rejuvenation. Journal of Commerce and Trade. 2018;13(1):1-14.
3. start-up in India: opportunities and challenges Sumit Mishra
4. https://dpiit.gov.in/sites/default/files/notification_Definition_StartupIndia_.pdf
5. <https://www.startupindia.gov.in>
6. <https://pib.gov.in/newsite/printrelease.aspx?relid=134186>