

## Frequently Asked Questions

### 1. For Startups

#	Question	Response
1.	What qualifies as a “Startup” for the purpose of Government schemes?	<p>An entity (Private Limited Company or Registered Partnership Firm or Limited Liability Partnership) shall be considered a “Startup” –</p> <p>a) Upto 5 years from the date of its incorporation/ registration, and            b) If its turnover for any of the financial years has not exceeded INR 25 crore, and            c) It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.</p> <p>The entity should not have been formed by splitting up or reconstruction of a business already in existence.</p> <p>A proprietorship or a public limited company is not eligible as startup. A one-person company, being a private limited company is entitled to be recognized as a 'startup'.</p> <p>For additional information, refer notification G.S.R. 180(E) dated February 17, 2016.</p>
2.	How does a Startup obtain benefits under various Government schemes including the ones announced in the Action Plan on January 16, 2016?	<p>For availing various benefits (except tax and IPR related benefits i.e. action points #4, #9, #10 and #11 of the Startup India Action Plan), an entity would be required to be recognized as a Startup by applying on Startup India Mobile App/ Portal.</p> <p>In order to obtain tax and IPR related benefits, a Startup shall be required to be certified as an eligible business from the Inter-Ministerial Board of Certification. A Startup incorporated between April 1, 2016 and April 1, 2019 shall be eligible to obtain tax benefits proposed under the Finance Bill 2016.</p>
3.	For how long would recognition as a “Startup” be valid?	<p>An entity would cease to be a 'startup' upon expiry of:</p> <p>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; OR</p> <p>Startups would be required to intimate DIPP of any such cases within a period of 21 days.</p>
4.	Can an existing entity register itself as a “Startup” on the Startup India Portal and Mobile App?	<p>Yes, an existing entity that meets the criteria as indicated in response to Question 1 can visit the Startup India Portal and Mobile App and get itself recognized for various benefits.</p>

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5.	What is the timeframe for obtaining certificate of recognition as a “Startup” in case an entity already exists?	The process of registration in such cases shall be real time and the certificate of recognition would be issued immediately upon successful submission of the application.
6.	An entity is yet to be registered/ incorporated. Can I visit the Startup India Portal and Mobile App to register/ incorporate my entity as either a Private Limited Company or Registered Partnership Firm or Limited Liability Partnership?	There are two options available in such cases. a) Option 1: An entity can register itself through MCA or Registrar of Firms using the existing processes and subsequently register itself on the Startup India portal and mobile app as a “Startup” to avail the benefits. b) Option 2: An entity can register itself through the Startup India portal and mobile app using a seamless process. This facility would be made available in the second phase of the Startup India portal and mobile app launch.
7.	What documents would qualify as a supporting document to the application to register as a “Startup”?	One of the following documents is required to be uploaded along with the application for registration as a Startup on Startup India portal and mobile app: 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 post-graduate college in India; or b) 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 c) 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 d) letter of funding of not less than 20 percent 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 e) letter of funding by Government of India or any State Government as part of any specified scheme to promote innovation; or f) patent filed and published in the Journal by the India Patent Office in areas affiliated with the nature of business being promoted: or g) letter of recommendation (with regard to innovative nature of business), in a format specified by Department of Industrial Policy and Promotion, from any Industry associate.  The list of incubators recognized for the purpose of (a), (b) and (c) are published on the Startup India portal for reference. The list of industry associates (g) are published on the Startup India portal. The list SEBI registered funds for the purpose of (d) is also available on the Startup India portal.
8.	Do I need to print an application form and submit the physical copy of the same to complete the process of Startup registration?	No. The application has to be submitted online only.

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9.	Once my registration is successful, would I obtain a certificate for it? If Yes, would I be able to download the certificate?	Yes. On successful registration, you would be able to download a system generated verifiable certificate of recognition.
10.	If an incubator rejects an application, can the entity apply again to the same incubator or would it be required to apply at a different incubator?	Yes. In such cases, an entity can apply again to the same incubator that rejected the application, as well as any other incubator.
11.	If during the Registration process, an applicant marks the response to “Do you want to avail Tax benefits” as “No”, would I be allowed to change the response to “Yes” later?	Yes. In such cases, option to opt for such benefits may be indicated at a later stage as well.  Once a user opts for availing the benefits, his/ her application would be evaluated by the Inter-Ministerial Board. Once certified by the Board, the benefits may be availed.
12.	If an entity does not have a PAN. Would I be allowed to register my entity as a “Startup”?	Yes. An entity without a PAN can be registered as a Startup. However, it is advised that a valid PAN of the entity is provided at the time of registration, as each entity is separately taxable person.
13.	Can I provide two mobile numbers in the registration form?	It is advised that only one mobile number of the authorized representative of the entity is provided at the time of registration. The portal and the mobile app would be sending an OTP on the mobile number provided for the user to complete authentication and registration process.
14.	Is there any specified format for obtaining a recommendation letter?	Yes. The prescribed formats for recommendation/ support/ endorsement letters are published on Startup India portal.
15.	If an entity has filed for a patent that has been published. In this regard, which document would suffice as a supporting document to register the entity as a “Startup”?	In such cases, valid copy of the published patent would suffice as a supporting document.
16.	What will be the constitution of the Inter-Ministerial Board?	The Inter-Ministerial Board of Certification would consist of: a) Joint Secretary, Department of Industrial Policy and Promotion; b) Representative of Department of Science and Technology; and c) Representative of Department of Bio-technology.

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17.	Would a One Person Company (OPC) be eligible to avail benefits under the Startup India initiative?	Yes. One Person Companies are eligible to avail benefits under the Startup India initiative.
18.	How would the Inter-Ministerial Board review the applications received for the purpose of tax?	The Board shall review the supporting document(s) provided to ascertain if the entity qualifies as an eligible business for availing tax.
19.	What is the timeframe for obtaining certification of Inter-Ministerial Board for availing tax in case an entity already exists?	An application for a certificate from the inter-ministerial board shall be processed within a period of 10-25 working days.
20.	Can entities that do not have any of the other evidences like incubator certificate, still apply to Inter -Ministerial Board for tax exemptions?	No. One (1) of the seven (7) prescribed supporting material is mandatory to make an application to the Inter-Ministerial Board.
21.	If a startup has submitted an application and the application gets rejected due to missing documents. After receiving the required documents, should the startup edit the existing application or resubmit another application?	If the application of the Startup Applicant has been rejected, he may edit his application by visiting the link <a href="http://www.startupindia.gov.in/editRejApp.php">http://www.startupindia.gov.in/editRejApp.php</a> and upload the recommendation letter. If the application has received Startup Recognition Certificate, he is required to submit through mail the recommendation letter.
22.	If a startup has received funding certificate from CGTSE(CREDIT GUARANTEE TRUST FOR MICRO AND SMALL ENTERPRISES). Can it be considered as a "Proof of Innovation"	No, it can't be considered as a Proof of innovation
23.	In case where a patent is provided as a proof of innovation, is there an age limit on the patent?	Yes, a patent which is published and not filed more than 5 years ago can be only considered for application to get registered with DIPP.
24.	Is partnership firm eligible for benefits under StartupIndia scheme?	Yes, a partnership firm is eligible for all the benefits except tax incentives which are provided to a recognised startups.

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25.	If a Startup is recognised with DIPP. What are the next steps required for raising funding?	<p>A startup can approach SIDBI for funding in the following two cases:</p> <p>Case 1: Equity funding for early and growth stage startups:</p> <ol style="list-style-type: none"> <li>SIDBI invests in funds of fund format and invest in daughter funds which invests in Startup.</li> <li>The list of fund of funds, focus sector, e-mail ID and company website can be checked on the link: <a href="http://venturefund.sidbi.in/?q=content/contact-vcfs-0">http://venturefund.sidbi.in/?q=content/contact-vcfs-0</a></li> <li>Kindly send an e-mail on the given e mail IDs of the said funds.</li> </ol> <p>Case 2: Debt funding for mature stage startups (proven revenue model, market traction):</p> <ol style="list-style-type: none"> <li>Approach the nearest SIDBI office.</li> <li>Submit a business presentation and the pitch to the SIDBI office.</li> <li>Once the information has been submitted, SIDBI would scrutinize the application and the shortlisted applications are directed to SIDBI, Mumbai for financial evaluation.</li> <li>As per the decision of SIDBI Mumbai, debt may be sanctioned.</li> </ol> <p>Additionally, you can send an email Startup India Hub (<a href="mailto:dipp-startups@nic.in">dipp-startups@nic.in</a>) with a business presentation. The following aspects need to be covered:</p> <ol style="list-style-type: none"> <li>About the idea/company</li> <li>Background of the founders</li> <li>How is the idea/product/service innovative?</li> <li>Fund Requirement (Detailed segregation)</li> <li>End usage of the funds</li> </ol>
27.	Can a foreigner enter into partnership under LLP Act & get registered that LLP with StartupIndia?	Yes, a foreign national can enter into a partnership under LLP Act. Also, an LLP can register with StartupIndia HUB and get recognised by DIPP.
28.	Can a foreign national, a partner in LLP invest in the said LLP recognised by StartupIndia?	Funding from a foreign partner will be subject to regulations of FDI. 100 % FDI is allowed in LLP given that LLP operates in business sectors where 100% FDI is allowed via automatic route and there are no performance linked FDI conditions.
29.	I have an innovative idea that I want to pursue as a Startup. What guidance can Startup India provide to me?	Startup India is shortly launching a Learning & Development module for budding entrepreneurs, which will be present on the Startup India portal. You can go through this course; it will be very helpful for taking your idea forward. Also, incubators all across India provide guidance to budding startups and you can approach these. There is a list of incubators listed on the Startup India portal for your reference.
30.	Is a recognition from DIPP a prerequisite for advertising on Startup India portal?	No, any startup is eligible to advertise on Startup India Portal. Please refer to the link <a href="http://startupindia.gov.in/advertisement.php">http://startupindia.gov.in/advertisement.php</a> Final discretion on advertisement will remain with DIPP.

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31.	How do I choose which incubator to approach out of the list for getting the letter of recommendation?	It is entirely up to the Startup to pick the incubator they want to approach. It is recommended that you approach the incubator whose 'thrust area' (area of specialization) matches the idea your Startup is working upon. Choosing an incubator geographically close to you also helps in case you need to meet them.
32.	How can a foreign national, NRI and PIO benefit from start-up India scheme.	Start-up India benefits are for Private Limited Company or Registered Partnership Firm or Limited Liability Partnership. A foreign national, NRI and PIO can register itself through MCA or Registrar of Firms using the existing processes and subsequently register itself on the Startup India portal and mobile app as a "Startup" to avail the benefits.
33.	What are the pre-establishment, No Objection Certificates (NOCs), licenses, registrations and other mandatory State approvals required for setting up of a business	Please refer to the list on the StartupIndia website. ( <a href="http://startupindia.gov.in/uploads/pdf/List_of_State_Government_Registration-Clearances-NoCs.pdf">http://startupindia.gov.in/uploads/pdf/List_of_State_Government_Registration-Clearances-NoCs.pdf</a> )
34.	What is the procedure for recognised startup to claim rebate for patent cost of a published patent?	There is no clause for rebate of already published patent in Startup India: Action Plan.
35.	Whether the relaxation in prior experience and turnover (Zero experience & Zero turnover) for "start-ups" applicable for all startups as per the definition in Annexure A or does a startup need to be recognized by DIPP to be considered eligible for tender relaxation scheme with PSU?	Yes, Startup India recognition certificate or MSME recognition certificate is required in order to be considered for tender requirement relaxation scheme with PSU.
36.	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. Will this requirement be considered fulfilled if a funding letter is executed by 2 or more SEBI registered private equity funds for more than 20 percent?	No, Letter of funding should be from one SEBI registered investor for not less than 20 percent.
37.	I am individual and I have a patent filed and published in the Journal by the India Patent Office in areas affiliated with the nature of business being promoted. Can I use it as a supporting document for applying for Startup recognition?	NO, in order to use a published patent as a supporting document the patent should be in the name of the entity applying for startup recognition.

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38.	What is the procedure to transfer the rights of a patent from an individual to a startup?	For transferring the rights of a patent, an individual has to submit an application with Controller General of Patents, Designs & Trade Marks, Intellectual Property India. <b>Application Procedure</b> <ul style="list-style-type: none"><li>• For Patent Filed- Form no -06 with supporting document</li><li>• For Granted- Form No- 16 with supporting document</li></ul> Link: <a href="http://www.pfc.org.in/info/form.htm">http://www.pfc.org.in/info/form.htm</a>
39.	Facilitator is not responding or I am unclear on how to select a facilitator which will be a right fit for my Startup. What should I do next?	If the startup is unable to select a facilitator, it should contact the Head of Office of the respective Patent Office as per jurisdiction, who shall provide 3 names of facilitator and the startup shall finalise.
40.	What part of cost for filling a patent will have to be borne by startup?	Fee for filing patent application and other statutory fees, as per First Schedule, shall be borne by the startup.
41.	I want to use the Startup India logo for branding purpose. What is the procedure to apply for it?	The procedure to apply for Startup India logo is online. Please refer to the link: <a href="http://startupindia.gov.in/uploads/pdf/Guidelines_logo.pdf">http://startupindia.gov.in/uploads/pdf/Guidelines_logo.pdf</a>

## 2. For Patent facilitators, Trademark facilitators and Design facilitators

#	Question	Response
1.	What is the procedure to claim reimbursement by patent facilitators to services offered to startups?	After a patent application is received by the Patent Office, the facilitator shall submit the claim for fees as per the fee schedule given in SIPP Scheme. A letter addressed to the Head of Office of the respective Patent Office, giving details of claimed fee for drafting of application and his ID proof as a registered Patent Agent, shall be submitted along with the invoice.
2.	What is the procedure to claim reimbursement by patent facilitators to services offered to startups?	The facilitator shall submit the claim for payment of fees to the respective Head of Office of the Trade Marks Registry. A letter addressed to the Head of Office of the respective Trade Mark Office, giving details of claimed fee for drafting of application and his ID proof as a registered Trade Mark Agent, shall be submitted along with the invoice.



### 3. For Incubators providing Recommendation/ Support/ Endorsement Letter to Startups

#	Question	Response
1.	Which incubators are authorized to provide a recommendation/ support/ endorsement letter?	<p>As per the notification no. G.S.R 180(E) dated February 17, 2016, an incubator must fall in one of the following categories to be authorized to provide a recommendation/ support/ endorsement letter to an entity:</p> <ul style="list-style-type: none"> <li>a) Incubator established in a post-graduate college in India</li> <li>b) Incubator funded by Government of India or any State Government as part of any specified scheme to promote innovation</li> <li>c) Incubator recognized by Government of India</li> </ul> <p>With regards to (c), an incubator shall be recognized by DIPP on application.</p>
2.	Our incubator does not feature in the list(s) of incubators published on Startup India portal. How can we get it included in the list(s)?	<p>In such cases, you can make an application at Startup India portal.</p> <p>Once an incubator application is found eligible, the name of the incubator shall be included in the appropriate list(s) by DIPP.</p>
3.	What are the aspects that need to be reviewed before issuing a recommendation/ support/ endorsement letter?	<p>An incubator is required to validate if the entity under review is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize:</p> <ul style="list-style-type: none"> <li>a) A new product or service or process; OR</li> <li>b) A significantly improved existing product or service or process that will create or add value for customers or workflow.</li> </ul> <p>The following activities are not considered as a valid case for issuing a recommendation/ support/ endorsement letter:</p> <ul style="list-style-type: none"> <li>a) Products or services or processes which do not have potential for commercialization; OR</li> <li>b) Undifferentiated products or services or processes; OR</li> <li>c) Products or services or processes with no or limited incremental value for customers or workflow.</li> </ul>
4.	Is there any specific format in which an incubator would be required to provide recommendation?	<p>Yes. The prescribed formats for recommendation/ support/ endorsement letters are published on Startup India portal.</p>
5.	Is there any prescribed fee(s) that can be charged by the incubator from the Startups for providing a recommendation/ support/endorsement letter?	<ul style="list-style-type: none"> <li>a) A maximum fee of Rs. 5000/- can be charged by the incubators for issuing a letter of recommendation to Startups.</li> <li>b) In cases where an incubator is required to form a panel of external experts to assess the innovativeness of the product/service/process, a maximum fee of Rs. 10,000/- can be charged by the incubators.</li> </ul>

#	Question	Response
6.	Can we recommend/ endorse an idea that has not been incubated at our incubator?	Yes. An incubator featured in any of the lists on Startup India portal, can endorse an idea/ Startup not incubated in such incubator. The objective of the recommendation is to validate that a Startup is involved in an innovative business.
7.	Do we need to designate someone to sign/ issue the recommendation/ endorsement letter?	An incubator is encouraged to designate its officer(s) to sign/ issue the recommendation/ support/ endorsement letter to entities, and share the details of the officer (s) with DIPP.
8.	What process needs to be followed for receiving applications from entities not incubated at our incubator?	There is no prescribed format for receipt of application. It is expected that incubator will capture the process and innovative nature of business before making a recommendation.
9.	Who will upload the recommendation/ support/ endorsement letter on the Startup India portal and mobile app?	The entity receiving the recommendation/ support/ endorsement letter will upload the relevant documents at the time of applying for recognition.
10.	Is there any liability on a recommender/ incubator?	Where a recommendation is issued by an incubator without proper examination or without itself satisfying about the innovative nature of the business it shall be blacklisted from giving any future recommendation or receiving any benefit from Government. Any such action shall, however, be taken only after a due opportunity is given to the incubator.

#### 4. For Funding Bodies providing Recommendation/ Support/ Endorsement Letter to Startups

#	Question	Response
1.	Which are the bodies and agencies that fall under the category of “Funding Bodies”?	As per the notification no. G.S.R 180(E) dated February 17, 2016, Alternate Investment Funds, Venture Capital Funds, Angel Fund and Seed Funds registered with SEBI will be eligible for providing recommendation/ support/ endorsement letter to entities in which not less than 20 percent equity is taken up by such funds.  A list of SEBI registered VCFs and AIFs has been published on Startup India portal ( <a href="http://startupindia.gov.in">http://startupindia.gov.in</a> )
2.	Is there any specific format in which a funding body would be required to provide recommendation?	Yes. The prescribed formats for recommendation/ support/ endorsement letters are published on Startup India portal.
3.	What are the aspects that need to be reviewed before issuing a recommendation/ support/ endorsement letter?	A funding agency is required to validate if the entity under review is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property if it aims to develop and commercialize: a) A new product or service or process; OR b) A significantly improved existing product or service or process that will create or add value for customers or workflow.  The following activities are not considered as a valid case for issuing a recommendation/ support/ endorsement letter: a) Products or services or processes which do not have potential for commercialization; OR b) Undifferentiated products or services or processes; OR c) Products or services or processes with no or limited incremental value for customers or workflow.
4.	Can we recommend/ endorse an idea that has not been funded by our funding body?	No. Only those ideas/ Startups can be recommended in which not less than 20 percent of the equity is funded by recommending fund.
5.	Do we need to designate someone as a recommender or anyone from our staff can be a recommender?	A funding agency is encouraged to designate its officer(s) to sign/ issue recommendation/ support/ endorsement letter to entities, and share the details of the officer (s) with DIPP.
6.	Who will upload the recommendation/ support/ endorsement letter on the Startup India portal and mobile app?	The entity receiving the recommendation/ support/ endorsement letter will upload the relevant documents at the time of applying for recognition.

#	Question	Response
7.	Is there any liability on a recommender?	<p>Where a recommendation is issued by a fund without proper examination or without being satisfied about the innovative nature of the business it shall be blacklisted from giving any future recommendation.</p> <p>Where a recommendation is given without actually funding equity (not less than 20 percent equity) of the Startup, DIPP may initiate criminal proceedings against the principal officers of the fund for providing wrong information.</p>