

START-UP FUNDING OPTIONS

Date: 10th March 2018

~ By CA Vaibhav Jain, Director, VS Sambhav Capital



About the Speaker

Mr. Vaibhav Jain - *Director, VS Sambhav Capital Pvt. Ltd.*

Mr. Vaibhav is a Chartered Accountant and a Member of Royal Institute of Chartered Surveyors. He is a finance expert with vast experience in Corporate Finance, Debt Syndication and Capital Restructuring for SME & Corporate Clients.

In past, he worked as President of Ashika Capital Limited, where he set up entire Corporate Lending business and Debt syndication vertical. He has also worked with Industry leaders such as ICICI Bank, Reliance Capital & Indiabulls Financial Services Ltd, in full spectrum of lending right from business development to risk-management in products such as small & medium enterprises (SMEs), commercial real estate & retail assets.

He has extensive experience of raising funds in domestic markets specializing in working capital, project finance, structured finance, M&A Financing and Capital market products. In last few years of his enterprising career, he successfully executed various assignments for Real Estate, Infrastructure, Hospitality, Medical, Education, Manufacturing & Trading industries.

He has extensively raised funds under CRE domain via Debt & Equity and specializes in creating robust structure to raise Mezzanine & Bridge Finance. He has strong network across banking and financial services domain.

Think Big, Think Fast, Think Ahead.

Ideas are no one's monopoly.

~ Dhirubhai Ambani



Introduction

Start-up companies are newly founded companies or entrepreneurial ventures that are in the initial phase of development. They are most commonly associated with technological projects, development and production, distribution of new products, processes or services.

Eligibility for Start-Up India Program

Start-up* means an entity, incorporated or registered in India :

- > Not prior to seven years (for Biotechnology Startups not prior to ten years),
- > With annual turnover not exceeding INR 25 crore in any preceding financial year,
- > Working towards 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,
- > Entity should not have formed by splitting up, or reconstruction, of a business already in existence,
- > Start-Up shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board,
- > It must be incorporated as Pvt. Ltd. Company, Registered Partnership Or LLP

** As per Ministry of Commerce & Industry*



History of Start-Ups in India

❖ **Indian startup scenario before Independence:**

The colonial era entrepreneurship was confined by the boundaries of social, cultural and religious rigidities. Further, the colonial rule brought in an array of political and economic factors that were non-conducive for entrepreneurship. The volatile political environment, lack of favourable laws, harsh tax policies, bookish education restricted the surge of entrepreneurship. Slowly, the social reforms, rising nationalism and betterment of education brought steady change in the scenario. In spite of these drawbacks, the East India Company, deliberately or accidentally, seems to have played a vital role in the emergence of Indian entrepreneurs. The popularity of swadeshi campaign, a campaign focussed on the use of indigenous goods by locals, is also believed to have played a significant role in the growth of startups in the country.

❖ **Growth of Entrepreneurship after Independence:**

With the new found freedom, entrepreneurs gained the confidence and belief to pursue their entrepreneurial dreams. Need of employment and regional development paved way for startups. However, during this period policies were not formulated with any special emphasis on entrepreneurship.

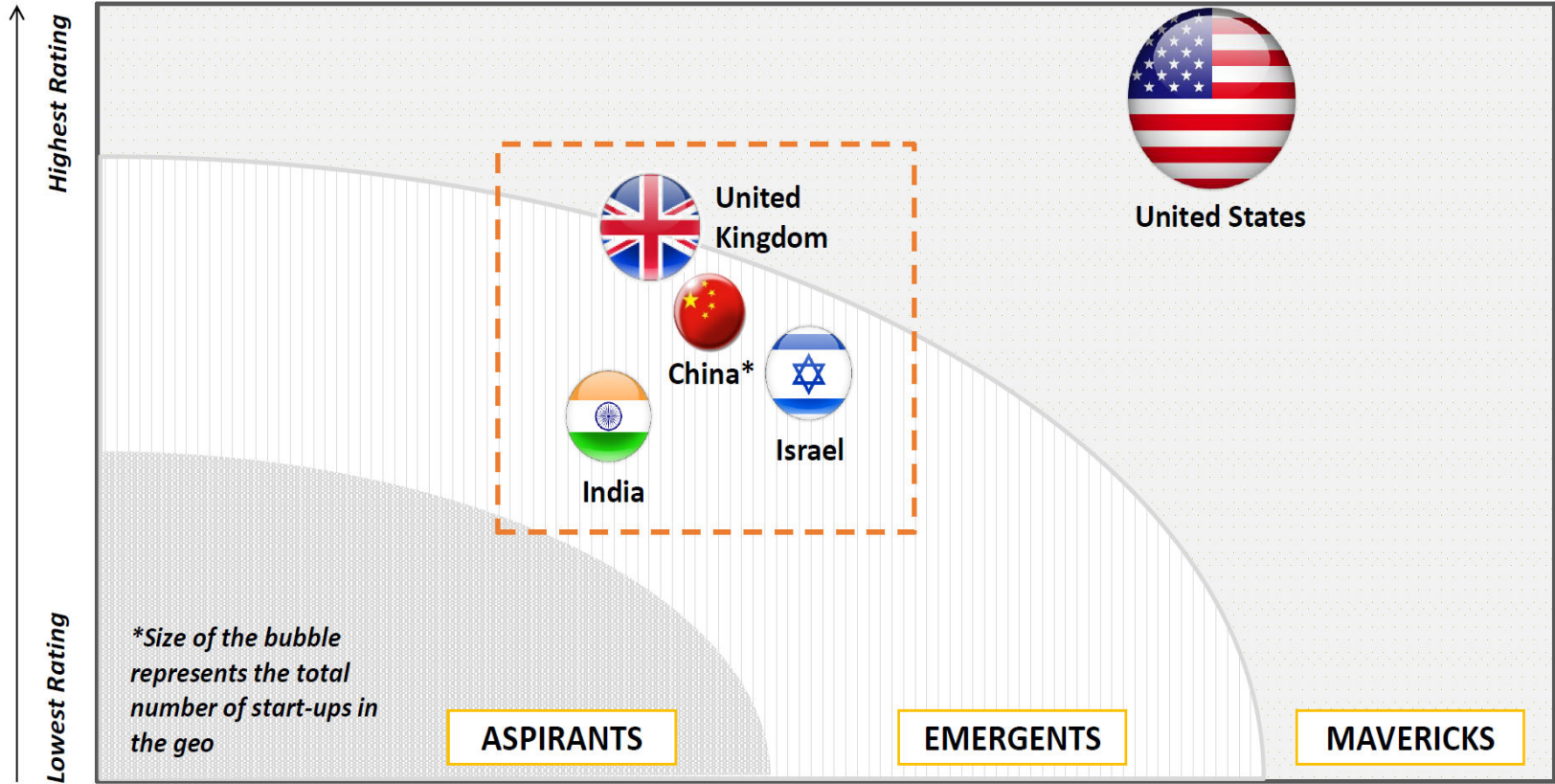
India was mostly popular as an IT outsourcing destination that provided cheap & easy labour to the global companies for carrying on various back-end jobs. On compilation of the Industry's major landmark, We came up with four distinct phases of growth and maturity that have traversed so far:

- > Software Services
- > Dotcom era
- > Global delivery model
- > Rise & Growth of Startup Ecosystem.

India is now competing with Israel to be the 3rd largest start-up base, while US and UK retain the top two spots

Govt. Focus & Country Specific Indices

= f [Government Initiatives (Govt. Policies, Govt. Funding), Country Specific Indices (Global Innovation Index, Ease of Doing Business)]



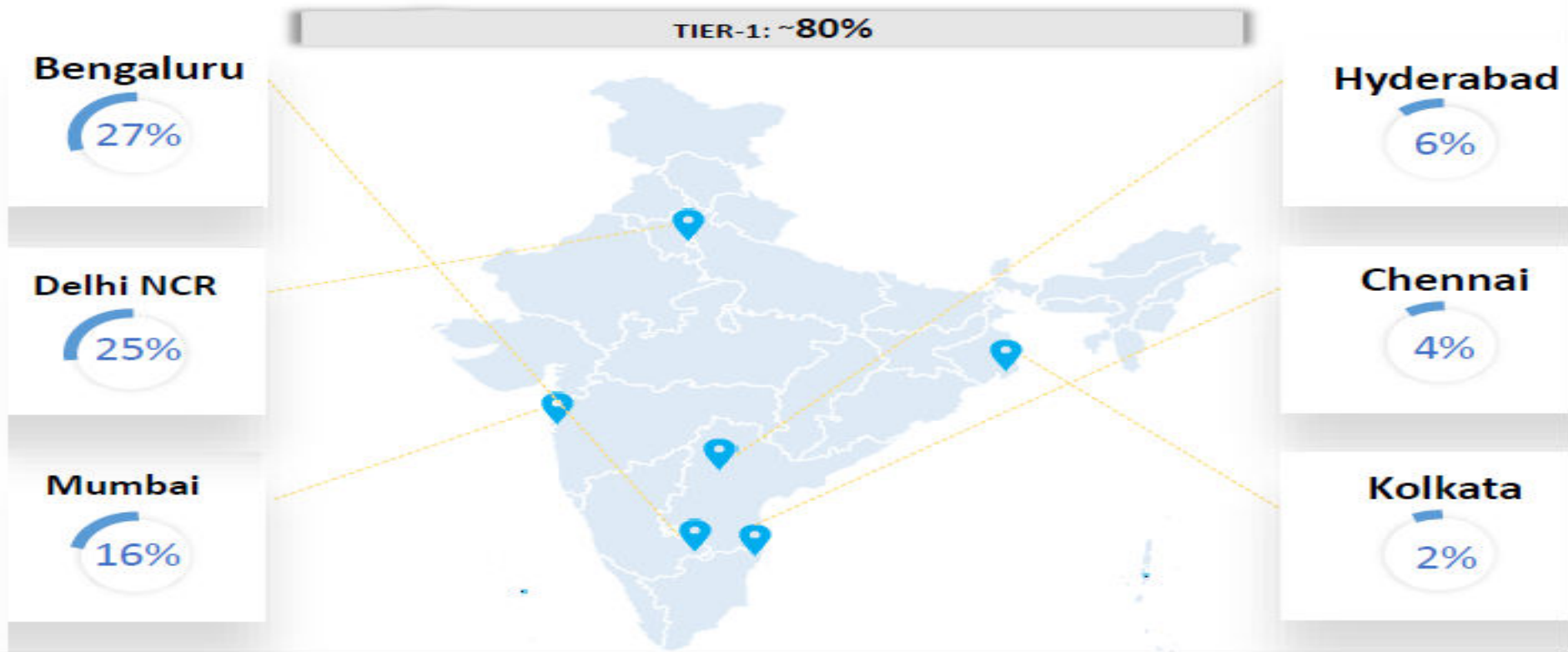
Lowest Rating

Start-up Activity Index

Highest Rating

= f [Landscape (Total Start-ups, Start-up Per Capita, Acquisitions), Unicorns Analysis, Investors Ecosystem & Funding, Advanced Tech Focus]

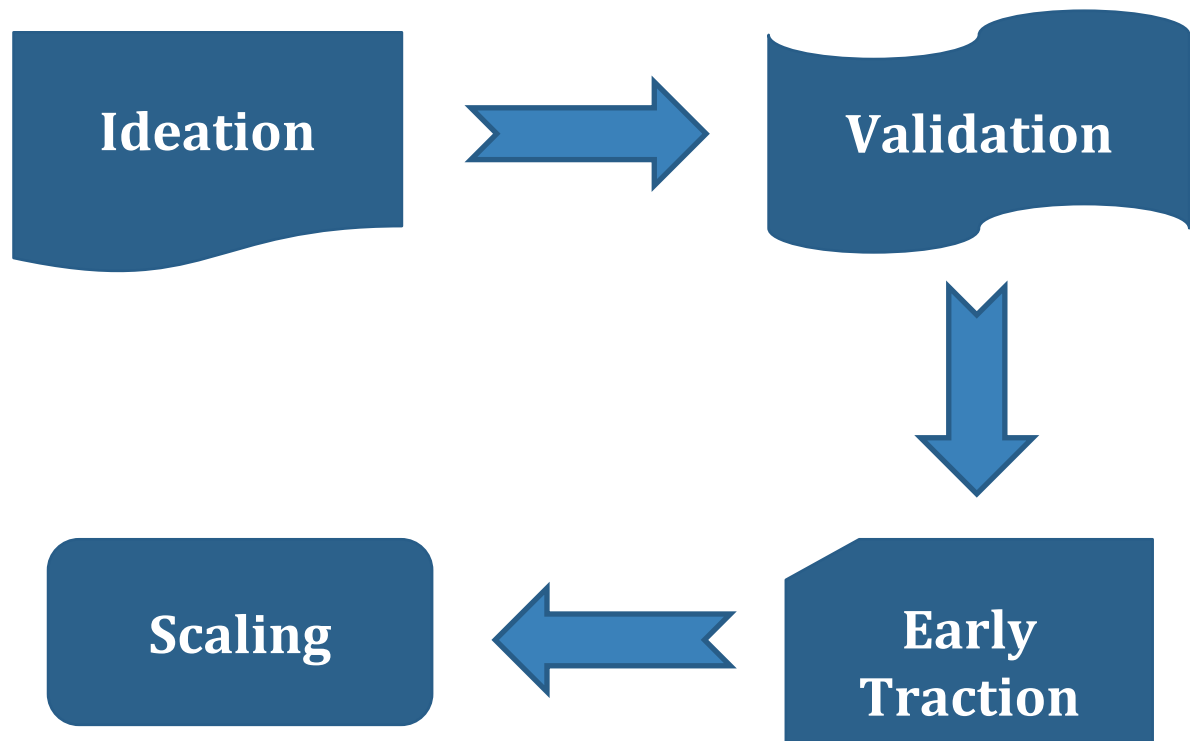
Location Analysis - Tier 1 Cities



Bengaluru, Delhi NCR & Mumbai continue to be the leading start-up hubs, with ~66% of the overall start-up base



Stages of Start-Up



-> **Identify the Gap, Unserved Points**

The first step is sighting the gap or unserved services, absence of which causes inconvenience to the intended audience. Addressing this gap, maximizes the chances of success of the idea,

-> **Utilize your own Experience**

If one has an experience & knowledge about a particular industry, then one needs to leverage the same, to ascertain solutions for the issues/inconveniences. Transforming one's expertise into a business model,

-> **Market Research**

Conduct a market research for the product/service idea, with target audience, industry experts, professionals, specialists to determine its viability

-> **Analyze the idea on various aspects**

Analyze the business idea in terms of:

- ✓ SWOT analysis
- ✓ Budget
- ✓ Break-even point
- ✓ Competitor analysis
- ✓ Infrastructural & HR essentials



**Ideas without Execution are
hallucinations.**

~ Thomas Edison

-> **Create a MVP**

After analyzing the idea holistically, one needs to test the waters, by formulating a Minimum Viable Product (MVP). As the name suggest, MVP is a basic version of the final product, with resources just enough to solve a elementary service and has no additional features. The main motive behind creating a MVP is to validate the design of the actual product/process/service.

-> **Launch the MVP**

A pilot version of the product/process/service needs to launched, so as to evaluate its feasibility, time, cost. It gives a valuable insight about the functionality of the business idea in an open market, in future.

-> **Evaluate the Results**

Evaluate the results in terms of Representation, Precision, Functional, Improvisation. This is a very crucial stage, as the issues and challenges confronted here, go a long way in understanding the issues which could be faced once the product/service is engaged in the real world.

-> **Overhaul the product**

As per the results evaluated, corrective measures need to be undertaken and an overhauled product/service needs to be re-deployed to check its acceptability.



Overhaul

Evaluate

Launch

Create

-> **Cash Registers start ringing**

At this stage, the business starts tasting the cashflow. The revenues, start to come in, however, one also encounters, teething issues. Issues could be Managerial, Technological, Human Resource, Infrastructural, Competition and many other forms.

-> **Focus on KPI's**

The management needs to focus on KPI's like User growth, Hiring, Quality concerns, Inventory management, Sales Conversion etc...

-> **Critical Situation**

This is a very crucial stage, as the decisions taken at this stage can lead to make-or-break situation for the start-up. The Entrepreneur needs to focus on the issues at hand, and quickly resolve it so as to stabilize the operations.

-> **Gain Trust**

Once the equilibrium is achieved, the business needs to look towards gaining trust and confidence of the stakeholders.



Growth is a process of trial and error: experimentation.

~ Benjamin Franklin

-> **Broaden the Horizon**

Once the business is stabilized, the management needs to broaden their horizon and contemplate expanding the business to a higher level, to newer markets, strengthen forward & backward integration chains, form strategic associations with other relevant businesses.

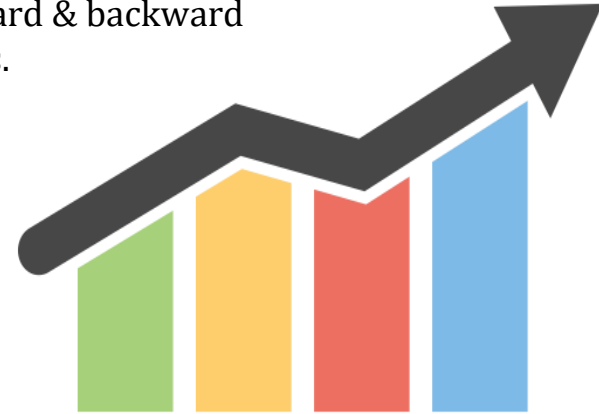
-> **Eye the Market Share, Acquisition Opportunities**

The Management needs to create its own space in the market share pie and for this it may acquire other relevant companies. Also, a core team needs to be formed for working towards the growth of the company. The Management needs to ascertain a business model which will help the business reach newer heights. Some of Business Models:

1. Franchisee (E.g. McDonald's, Pizza Hut),
2. Subscription (E.g. Netflix, Amazon Prime),
3. Aggregator (E.g. Uber, Airbnb, OYO),
4. Freemium (E.g. HootSuite, MailChimp)

-> **Marketing & Brand Image**

Create a brand image of the business by formulating impressive marketing schemes, so as to acquire new customers, maintain high-margin.



Funding Strategies for Start-Ups



Start-Up Financing Avenues

**Bootstrapping &
Crowd Funding**

**Seed
Funding,
Banks &
NBFC's**

**Angel
Investors,
Incubators &
Accelerators**

**Govt
Programs**

**Venture Capital,
Private Equity**

Ideation Phase

Validation Phase

Traction Phase

Scaling Phase



Bootstrapping

Bootstrapping

Self-funding, also known as Bootstrapping, is the most common & safest way of financing a start-up.

Here, the money saved from own sources, family, relatives & friends, is utilized to setup the basic business.

This mode of raising finance is the simplest as there are no major compliances, technical explanations or discussions required. Also, since the lenders know and trust the entrepreneur, s/he can focus on setting-up the business and does not have to worry about the answering & explaining each & every decision. However, only small amounts can be raised using this form of finance, which may not suit many business models.

Pros: ♦ Cheap ♦ Focus on Business ♦ Easy to obtain

Cons: ♦ Insufficient Capital ♦ Failure can lead to financial crisis ♦ Lack of Expertise feedback

Eg: ✓ QuickHeal Technologies (Anti-Virus software) ✓ Zoho (Business Software solutions)

✓ Chumbak (Apparel, Home & Accessories brand)



Crowd-funding



Crowd-funding

As the name suggests, finance is raised through an online platform, wherein a gist of the business is presented and any interested individual or a group can offer finance towards the business plan. This is a quicker and better way of raising finance, since funds are raised online and a large number of people are reached instantly. Although, the amount raised by crowd-funding means may not be large, it helps one gauge the acceptability & viability of the business idea from the market.

There are 4 major types of Crowd-funding:

- *Donation Crowdfunding*: Here, the investors do not expect any return and mainly for charitable/social purpose.
- *Reward Crowdfunding*: As the name suggest, a reward is offered to the investor for their financial support, by providing the product/service at discounted rate or in some other form.
- *Equity Crowdfunding*: Equity crowdfunding is when investors are given ownership in the company in lieu of their investment. However, this form of crowdfunding is not allowed in India.
- *Debt Crowdfunding*: Here, investors expect return on their investment, however not only is the rate of interest less compared to banks but even the terms of repayment are more flexible.



Crowd-funding Platforms & Success Stories

Platforms



ImpactGuru



Wishberry



Fuel a Dream



Crowdera



Milaap



BitGiving

Success Stories



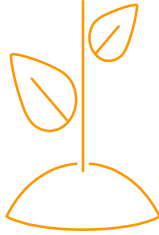
Exploride

Initial Target: \$ 1 Lakh
Funding received: \$ 5 Lakhs in just 40 days
Crowdfunders: 1800 from 50 countries



Seed-funding

- ✓ Seed-funding, is provided by wealthy investors, professional networks, specialists, field experts who are well-experienced in the domain of business being setup. They provide the initial finance to setup the various functionalities of the business, so as to materialize the business from idea to reality.
- ✓ Seed Capital is mainly provided for market research, product development, prototype production or other early-stage operations.
- ✓ Seed Capital is provided when the business has not been tested in the market and hence does not have any revenue. Thus, the Seed capital is normally not a large amount, but just enough for the business to break ground.
- ✓ The funds invested during under this model, have a time-frame of 1-2 years and expectations of moderate returns. As, there are no major contractual obligations one needs to honour, the entrepreneur can focus on setting up the business.





Seed-funding Firms & Success Stories

Platforms



bridging ideas and money

Ah! Ventures



Ivy Cap Ventures



Seeders



StartXSeed

Success Stories



Redbus



Carwale



Food Memories



Angel Investors, Business Incubators & Accelerators



- ✓ Angel Investors are high network individuals with additional cash and have a knack for coaching and nurturing an idea. They usually provide funding to industry they are accustomed to. However, receiving financial aid from Angel Investors is no mean task, as the entrepreneur has to first convince the investor about the practicality of the idea in actual marketplace.
- ✓ Since, the investment risk is high, the angel investors, expect a high return from their investment and thus continuously monitor the entire progress of the business.
- ✓ Business Incubators & Accelerators are similar to Angel Investors, however, they are more knowledgeable and possess more expertise in the business vertical and devote lesser finance compared to Angel Investors. As the name suggests, Business Incubators are involved at an early stage of the business whereas Accelerators get involved at the growing stage.
- ✓ Thanks to their professional experience and expertise in the domain, they provide their inputs, suggestions, and assist the entrepreneur in taking strategic decisions for the development of the business.



India's top Angel Investors



Mr. Ratan Tata
Former Chairman, Tata Sons

Name of Start-Ups	Line of Business
Paytm	Mobile Wallet
Lenskart	Eye wear Retailer
FirstCry	Baby Products
BlueStone	Jewellery Retail
Cardekho	Online Buy & Sell of Cars
Urban Ladder	Online Furniture Retailer



India's top Angel Investors



Mr. Rajan Anandan
MD, Google India

Name of Start-Ups	Line of Business
Burrrp	Restaurant discovery platform
Explara	Event ticketing platform
Mapmygenome	Consumer genomics startup
MissMalini.com	Entertainment news portal
Sheroes	Jobs portal for women
Uniphore	Speech recognition solutions



India's top Angel Investors



Mr. Mohandas Pai
Chairman, Manipal Global Education

Name of Start-Ups	Line of Business
Kaaryah	Online fashion brand
Pepperfry	Online furniture retailer
YourStory	Startup news portal
Zoomcar	Self-driven car rental



India's top Angel Investors



Mr. Anupam Gopal Mittal
Founder & CEO, People Group

Name of Start-Ups	Line of Business
HackerEarth	Competitive coding platform
InnerChef	Food technology startup
Ketto	Online Crowdfunding startup
LetsVenture	Deal-making platform
LittleEyeLabs	Performance analysis tools startup
Ola	Ride-hailing startup
Pipemonk	Data Integration platform



Top Angel Investors, Business Incubators & Accelerators & Success Stories

Angel Investors, Business Incubators, Accelerators



Let's Venture



Indian Angel Network



TLabs



Axilor

Success Stories



Box 8



OYO rooms



Pepperfry



Housing.com



Angel Investor & its Investments



StayZilla



Unbxid



LOGINEXT

LogiNext



Box8



MTC Ecom



Ridlr



Gadgetwood



FarEye



Aurus Network



Uniphore

peel-w_rks

Peel-Works



FabAlley



Get My Parking



Little Black Dress



MaxWholesale



Garniana



OrangeScape



Rank Junction



Zippr

NFX

NFX Digital



Spinnly

gocoop

GoCoop



LoudCell



Flatpebble



Angel Investor & its Investments



AppsDaily



NowFloats



WeAreHolidays



Purple



eDreams
Edusoft



Betaout



gingercrush

Gingercrush



Unocoin

Mumbai Angels



PickMe
eSolutions



Frsh



HMS Infotech



Umoble



FortunePay



Joybynature



AdvantageClub



AllizHealth



Fitpass



Vahdam Teas



Novix Media



BabyChakra



Invention Labs



Exotel



DoSelect



Smursh



Banks & NBFC's



Banks &
NBFC's

- ✓ Banks provides two kinds of financing for businesses:
 - ♦ Working Capital is the loan required to run one complete cycle of revenue generating operations, and the limit is usually decided by hypothecating stocks and debtors.
 - ♦ Funding from bank would involve the usual process of sharing the business plan and the valuation details, along with the project report, based on which the loan is sanctioned.
- ✓ Some banks will permit the use of IP as collateral when obtaining a loan or for establishing a line of credit for a business. IP-backed lending is a fairly straightforward debt instrument, and in fact, the use of IP as collateral may allow the business to get better financing rates. IP-backed loans can be personal, i.e., made out to an individual, such as a founder of a company, or can be business loans, which are made to the business as an entity. As a borrower, it is important to establish title to the collateral IP as a preliminary matter.
- ✓ NBFC's provide finance without being demanding on the security and legal aspects.

Both these institutions sanction loans only after careful scrutiny and assessing the feasibility of the business idea.



Venture Capitalist & Private Equity Funds

- ✓ Venture Capitalists & Private Equity Funds are professionally managed funds. They usually look for businesses which are stable, revenue generating and have a proven track record.
- ✓ VCs are typically looking to invest in companies with
 - (i) potentially large and lucrative markets,
 - (ii) strong management/advisor team, and
 - (iii) a business model they feel can be executed.



This will meet the VCs' primary interest, which is to ultimately obtain a high return on its investment.

- ✓ VC funding is often limited to established technologies that are beyond the proof of concept stage; VCs are more inclined to invest in entities that are at the product development stage or at the production and marketing stages of commercialization since the technology is well developed by that point. They normally, have a time-frame of 3-5 years.
- ✓ In order to protect their investment, they take control of a significant stake in the business and also have a say in the strategic decisions of the company.



Types of Venture Funds

- ✓ Venture Funds are of two types: Equity & Debt
- ✓ Venture Capital follows a high risk-high reward risk-return profile. In contrast, Venture Debt has moderate risk yet provides superior returns, making it an important asset class for the investors.
- ✓ Venture Capital funds target 25%-30% net returns whereas, Venture Debt funds target net returns of around 15-20%.
- ✓ VC funds generate most of their returns from only 5-10% of their investments. However, returns for Venture Debt are a combination of regular, predictable interest income with an equity kicker usually in the form of warrants or options. This mezzanine structure enables Venture Debt providers to earn superior returns.



Major Venture Funds in India

SEQUOIA 



NEXUS
VENTURE PARTNERS

 IDG Ventures

BLUME
VENTURES

ACCEL[®]
PARTNERS


helion
venture partners

SAIFPartners[®]

 TRIFECTA
CAPITAL

INNOVEN
CAPITAL



UNICORN
INDIA
VENTURES



Venture Fund & its Investments

BLUME
VENTURES



TaxiForSure



GreyOrange



Runnr



Zopper



Belong.co



NowFloats



WeAreHolidays



HealthifyMe



Chillr



Mech Mocha



Unacademy



Greytip



FastFox



BroEx



Locus



SquadRun



Unocoin



21 Trends



Zenatix



m.Paani



FlipClass



HMS Infotech



Unamia



Umobile



Venture Fund & its Investments



OlaCabs



Oyo Rooms



Zomato



FreeCharge



Practo



BYJU's



Grofers



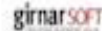
MobiKwik



Urban Ladder



DailyHunt



GimarSoft



BankBazaar



Just Dial



Faasos



Fashionandyou



HomeLane



Craftsvilla



PepperTap



ZoomCar



Capital Float



Knowlarity



HealthKart



Ixigo



Citrus Pay



Venture Fund & its Investments

ACCEL
PARTNERS



Flipkart



Olacabs



Swiggy



Book My Show



Myntra



BlackBuck



PropTiger



BlueStone



CommonFloor



TaxiForSure



Power2SME



UrbanClap



CoverFox

Qwikilver

Qwikilver



CureFit



Fabhotels



HolidayIQ



BabyOye



AgroStar



Universal Sportsbiz



MySmartPrice



ZopNow



Indifi Tech



Fortigo Network Logistics



Venture Fund & its Investments



Snapdeal



Urban Ladder



BlueStone



Power2SME



Zivame



AppsDaily



CureFit



Robosoft



Fabhotels



GrabHouse



IndustryBuying



ElasticRun



99Games



TrueBil



StalkBuyLove



HolaChef



YourStory



POPxo



ScoopWhoop



Swipe Telecom



CashKaro



Mettl



Erbibe



TripHobo



Venture Fund & its Investments



Lenskart



FirstCry



Yatra



Zivame



Nestaway



Apalya Tech



CureFit



iProf Learning Solutions



Unbxd



AgroStar



CreditMantri



Fintellix



HealthifyMe



FlyRobe



Rentomojo



AasaanJobs



Sigtuple



POPxo



Early Salary



PlaySimple



Heckyl Tech



Blowhorn



Active.ai



Hiree

Hiree



Venture Fund & its Investments



Flipkart



OlaCabs



Quikr



ShopClues



Hike



Delhivery



CarTrade



Grofers



Myntra



BlackBuck



PolicyBazaar



CaratLane



CommonFloor



LimeRoad



Little Internet



Zo Rooms



Nestaway



GreyOrange



Reposo



ZOVI



Zopper



InShorts



CultureMachine



HolidayIQ



Venture Fund & its Investments

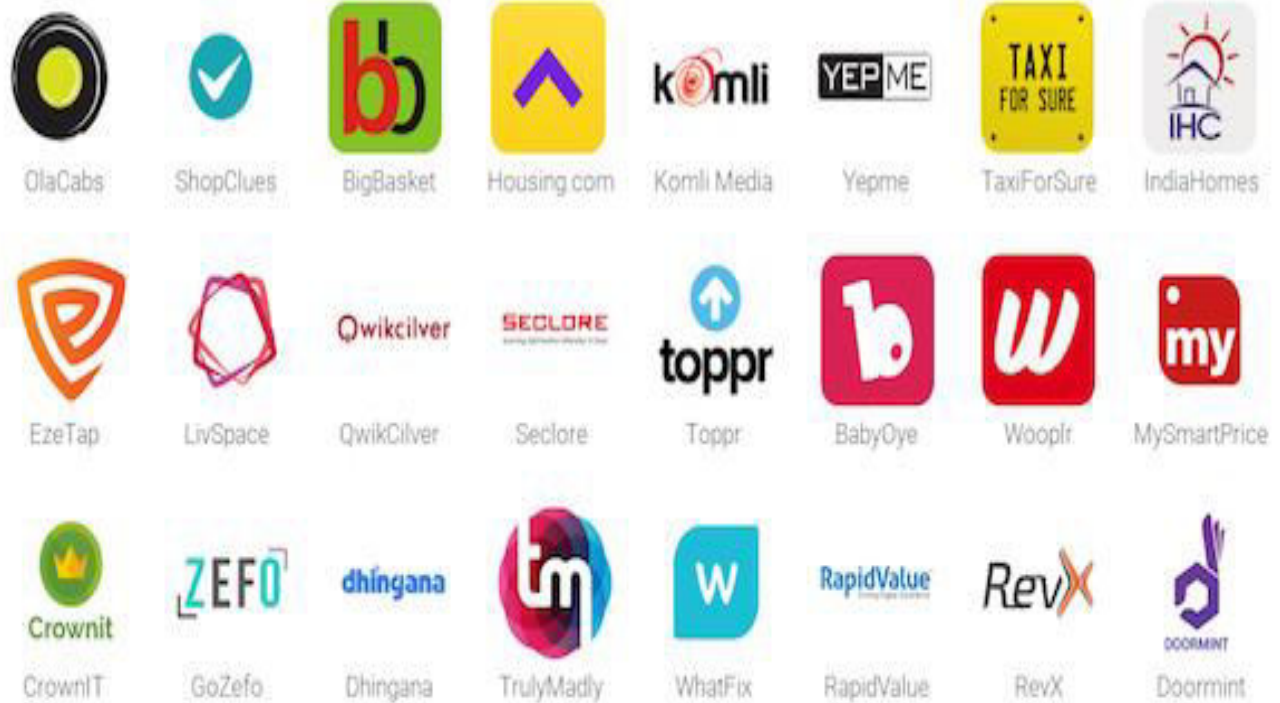


SAIF Partners



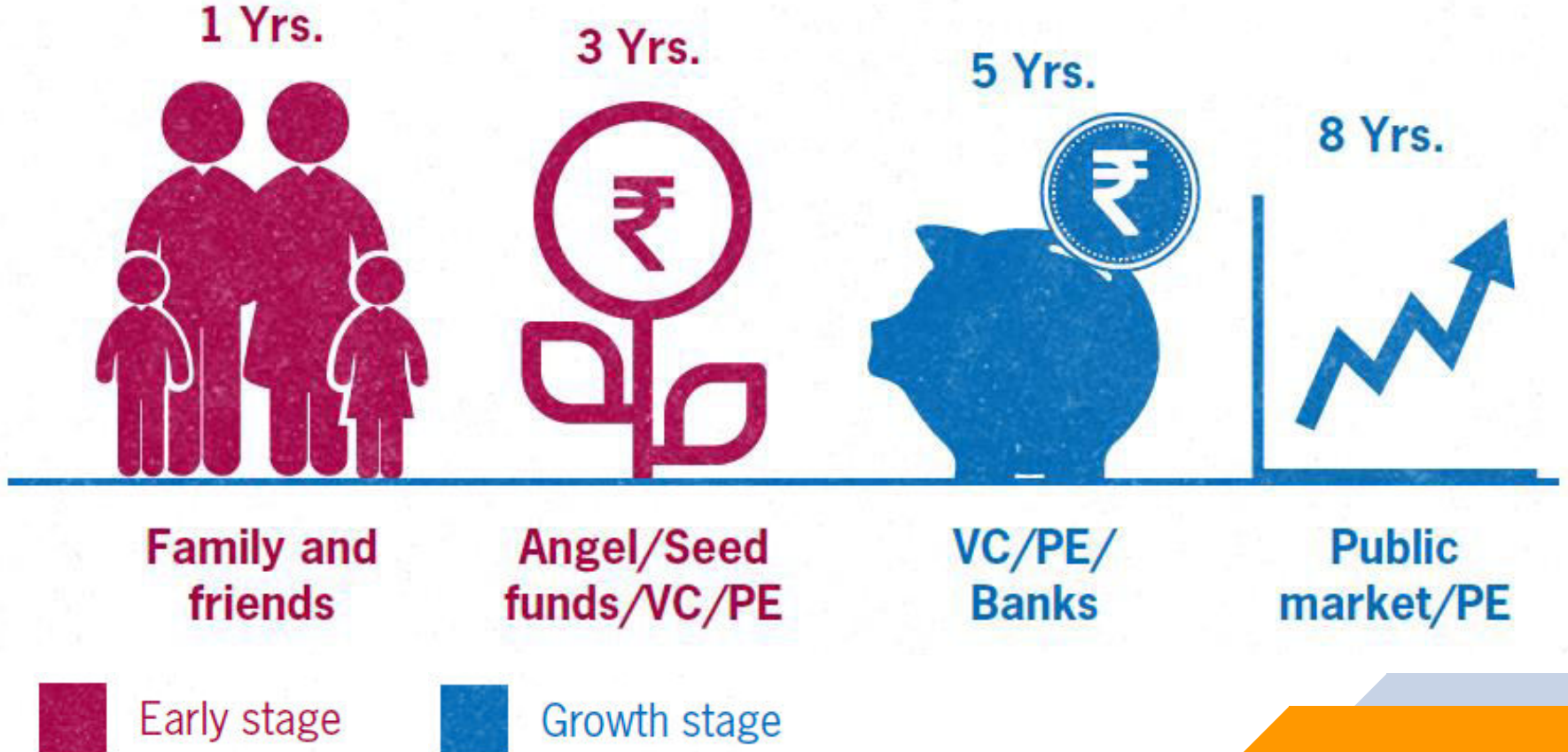


Venture Fund & its Investments

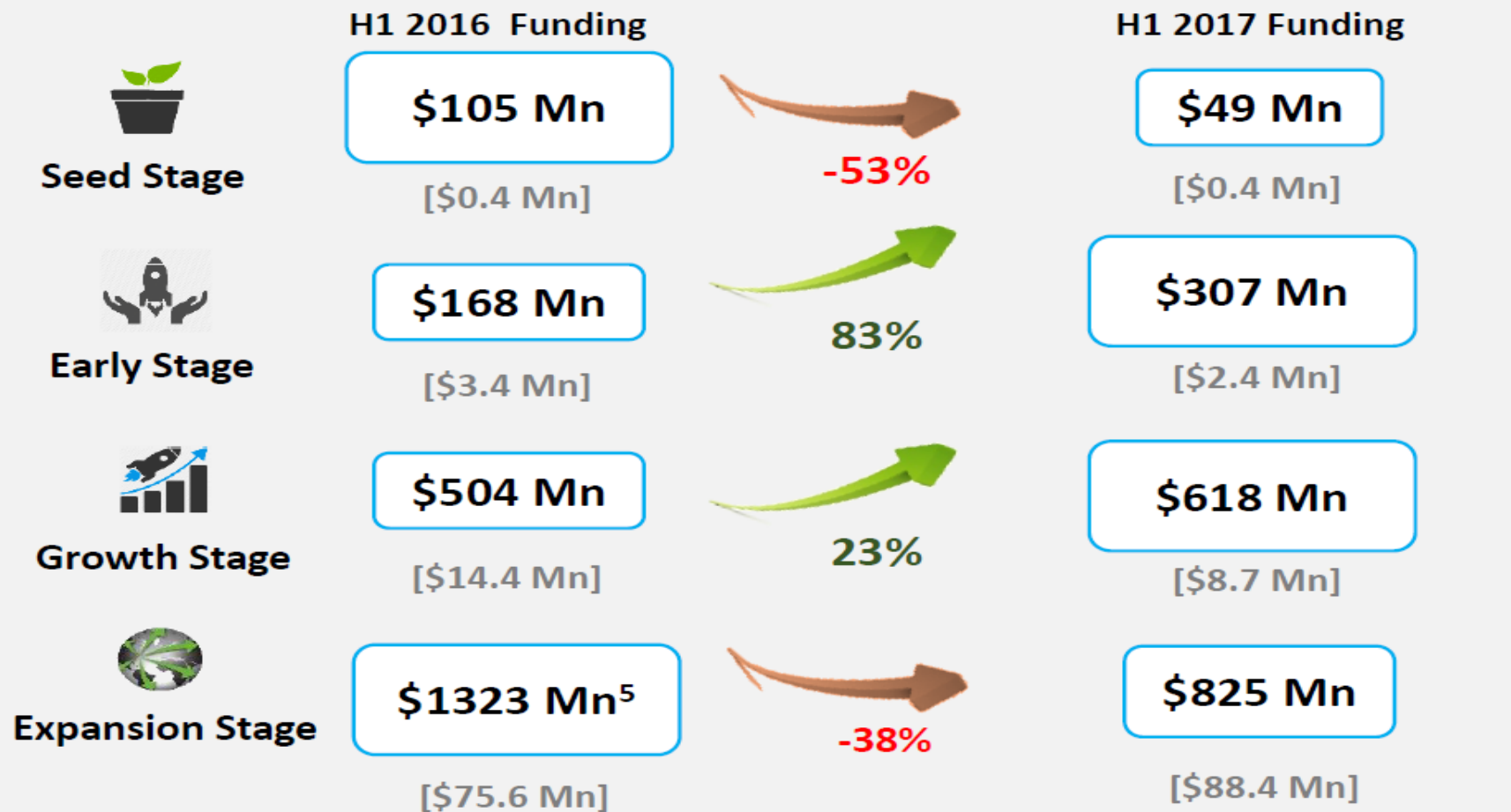


Funding based on Age of Company

Avg. Age of a firm (in years)



Analysis of funding across stages



[] - Average Funding Value



Comparison of various Funding options

Type	Stage	Fund Size	Investment Time frame	Availability	Expected Returns	Ownership
<i>Bootstrapping</i>	Early	Meagre	~ 1 year	Easy	Low	Entrepreneur
<i>Seed Capital</i>	Initial, Validation	Small to Moderate	1-2 years	Medium	Medium	Entrepreneur, Investor
<i>Angel Investors, Business Incubators & Accelerators</i>	Initial, Validation	Moderate to Large	1-3 years	Difficult	Medium	Entrepreneur, Investor
<i>Venture Capital & Private Equity</i>	Traction, Scaling	Large, Huge	3-5 years	Difficult	High	VC/PE hold substantial stake
<i>Government Schemes</i>	Initial, Traction	Meagre to Moderate	-	Medium	-	Entrepreneur
<i>Banks & NBFCs</i>	Initial, Traction	Meagre to Moderate	1-3 years	Medium	Medium	Entrepreneur (Collateral to be provided)



Govt of India Initiatives for Start-Ups



MUDRA



Startup India



India Aspiration Fund



Make in India



Standup India



Digital India



Govt. of India



Govt of India Initiatives for Start-Ups

Micro Units Development Refinance Agency (MUDRA)

The primary objective of this scheme was to fund the unfunded. Thus, MUDRA was launched with authorized capital of Rs 1000 crore and paid up capital of Rs 750 crore, fully subscribed by SIDBI. MUDRA in partnership with Banks, MFIs and other lending institutions at state level / regional level provide micro finance support to the micro enterprise sector in the country.

Startup India

Startup India is a flagship initiative of the Government of India, intended to build a strong eco-system for nurturing innovation and start-ups in the country that will drive sustainable economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower start-ups to grow through innovation and design.

India Aspiration Fund (IAF)

IAF was announced with the aim to create and promote a start-up culture in the country. It is a kind of fund of funds which does not directly finance businesses but creates a pool of VC funds which in turn finances MSME's.



Govt. of India



Govt of India Initiatives for Start-Ups

Make in India

Govt. of India introduced the “Make in India” program with the sole intent to attract foreign and domestic investors to manufacture here, thereby improving employment opportunities and investment in the country. For it’s success, Government has taken various steps and also relaxed many regulatory procedures.

Standup India

In Aug 2015, Govt. of India announced a campaign “Standup India” aimed at promoting entrepreneurship among the citizens. The idea behind the initiative was increase the number of job-creators rather than job-seekers, in the country.

Digital India

In July 2015, Govt announced “Digital India” campaign, so as to move the entire country towards digitization. For this, the Government developed the digital infrastructure in the country. Also, entrepreneurs who setup businesses, in the digital domain, were encouraged.



Govt. of India



MUDRA India - Facts & Figures

08th Apr 2015

Launch Date

193

Partner Institutions

₹ 7,541 Cr

Funds Sanctioned
till March 2017

₹ 6,863 Cr

Funds Disbursed
till March 2017



Start-Up India - Facts & Figures

16th Jan 2016

Launch Date

7,651

Start-Ups recognized till date

75

Start-Ups Funded

77,000

Queries Handled

21,000

Registered Users

450

Advisory provided



Tax Exemptions under Start-Up India program



A) **3 year Tax Holiday in a block of seven years**

Start-Ups formed between 01st April 2016 & 01st April 2021 are eligible for 100% tax rebate on profit for a period of 3 years out of first 7 years, provided the financial turnover does not exceed Rs 25 Cr for any of the financial year.

B) **Exemption from Tax on Long-term Capital Gains**

A new section 54EE has been inserted in the Income Tax Act for the eligible startups to exempt their tax on a long-term capital gain if such a long-term capital gain or a part thereof is invested in a fund notified by Central Government within a period of six months from the date of transfer of the asset. The maximum amount that can be invested in the long-term specified asset is Rs 50 lakh. Such amount shall be remain invested in the specified fund for a period of 3 years. If withdrawn before 3 years, then exemption will be revoked in the year in which money is withdrawn.



C) Tax Exemption on Investments above the Fair Market Value

The government has exempted the tax being levied on investments above the fair market value in eligible startups. Such investments include investments made by resident angel investors, business incubators, family or funds which are not registered as venture capital funds.

D) Tax Exemption to Individual/HUF on investment of LTCG in equity shares of eligible Startups u/s 54GB

The provisions u/s 54GB allows the exemption from tax on LTCG on the sale of a residential property if such gains are invested in the enterprises as defined under the MSME Act, 2006 or in eligible start-ups. Thus, if an individual or HUF sells a residential property and invests the capital gains to subscribe the 50% or more equity shares of the eligible startups, then tax on long term capital will be exempt provided that such shares are not sold or transferred within 5 years from the date of its acquisition. The startups shall also use the amount invested to purchase assets and should not transfer asset purchased within 5 years from the date of its purchase.

E) Set off of carry forward losses and capital gains allowed in case of a change in Shareholding pattern

The carry forward of losses in respect of eligible start-ups is allowed if all the shareholders of such company who held shares carrying voting power on the last day of the year in which the loss was incurred continue to hold shares on the last day of previous year in which such loss is to be carry forward. The restriction of holding of 51% of voting rights to be remaining unchanged u/s 79 has been relaxed in case of eligible startups.



Other benefits under Start-Up India program



Self Certification and Compliance under 9 Environment & Labour Laws



Start-Up Patent Application fast track & upto 80% rebate in filing patents



Public Procurement fast track under the criteria of “prior experience/turnover”
in all Central Government Ministries & Departments



Winding Up Company in 90 days under Insolvency & Bankruptcy Code 2016



India Aspiration Fund - Facts & Figures

92+

VC Funds Contributed

472

MSME's benefited

₹ 5,600 Cr

Investments made



Consure



Skymet



Little Eye Labs



BillDesk



Flash Electronics

Quick Numbers for year 2017

₹ 873.12 Bn

Total Funding Raised

885

Total Nos. of Deals

133

Total Nos. of M&A's Reported

Top Sectors in terms of Funding



E-Commerce
₹ 297.45 Bn



FinTech
₹ 194.64 Bn



TransportTech
₹ 106.7 Bn



Online Travel
₹ 51.5 Bn

Top Sectors in terms of Deals



Enterprise Apps &
Services
131



HealthTech &
FinTech
111



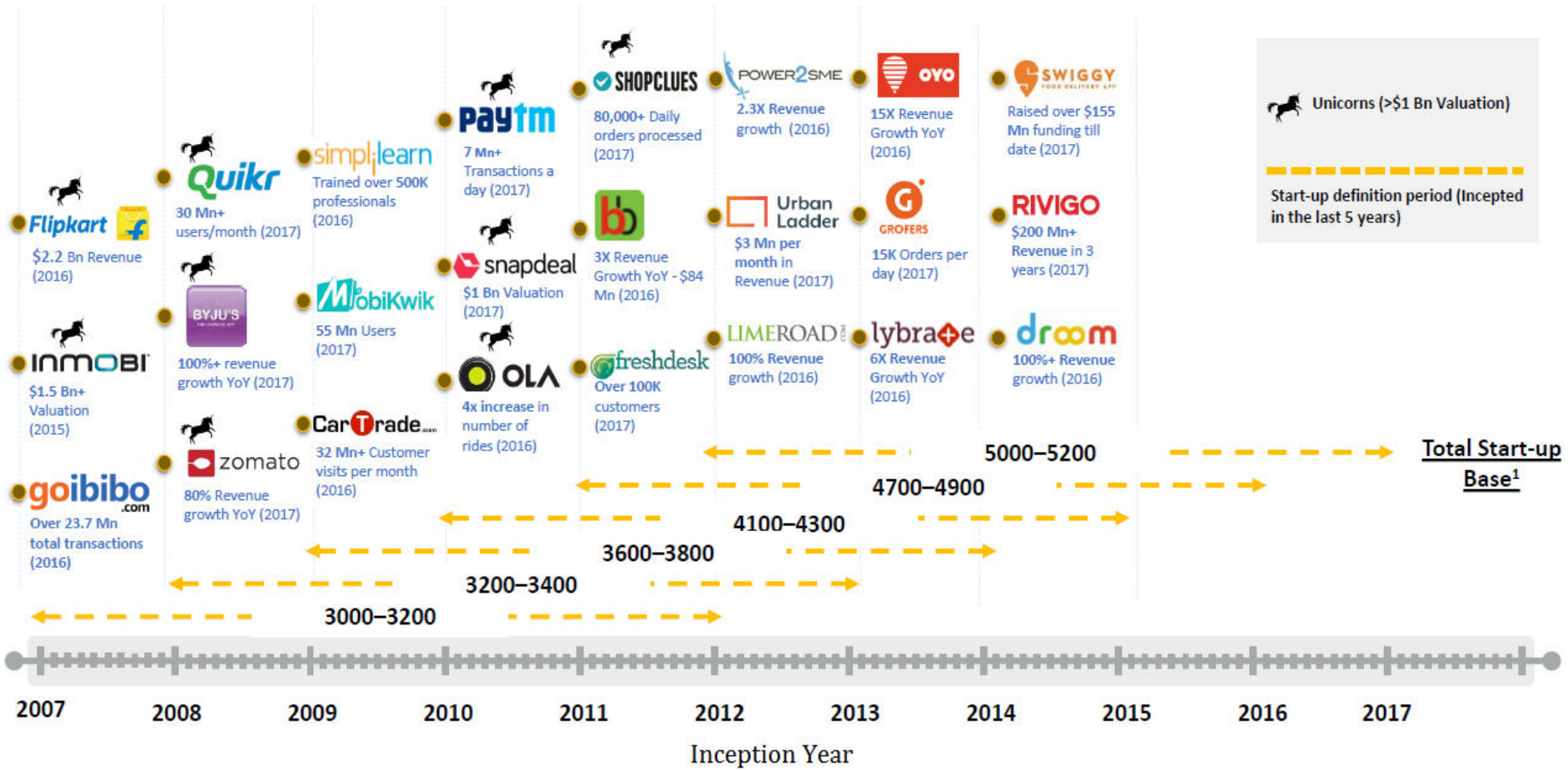
HyperLocal
99



E-Commerce
79

PROMINENT START-UPS OF THE YESTERYEARS (LAST 10 YEARS)

Over the past 10 years, India has seen inception of several prominent start-ups projecting tremendous growth stories





Few of recent Start-Up Fundings[^]

Sr. No.	Start-Up	Industry	Investor	Type	Amount (US \$)
01.	BigBasket	E-Commerce	Alibaba, Helion Venture Partners, Bessemer Venture Partners, Ascent Capital	PE	300 mn
02.	Zomato	Food & Beverage	Ant Financials	PE	200 mn
03.	Streak	Algorithm Trading	Indian Fintech fund, Rainmatter	Seed Funding	0.35 mn
04.	Swiggy	Food Delivery	Naspers	PE	100 mn
05.	Lendingkart	Online Lending	Dutch Development Bank	Debt Funding	4.70 mn
06.	PhonePe	Digital Wallet	Flipkart	PE	38.7 mn
07.	Aye Finance	Healthcare	IFMR Capital	Term Loan	6.24 mn

[^]Source: Trak.in

**India will have 1 lakh startups by 2025,
employing 32.5 lakh people,
creating ₹ 32.47 Lakh Cr in value.**

~ Mohandas Pai



THANKS!