

FAQs for Startup Haryana website

1. What qualifies as a “Startup” for under this initiative?

Definition

Startup means an entity (Private, Public, Proprietary, Partnership Firm), incorporated in India,

- a. As a private limited company (as defined in the Companies Act, 2013) or registered 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; and
- b. Not prior to seven years and in the case of Biotechnology companies this period shall be up to 10 years; and
- c. With an annual turnover not exceeding INR 25 crore in any preceding financial year; and
- d. 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
- e. Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence and should not have been formed by the demerger or reconstitution of a business already in existence;
- f. Provided that such entity is not a holding company and it is not a subsidiary of any firm already in existence or except the subsidiary of any startup;

Eligibility Conditions

- a. Location: The company/entity be registered in Haryana under the Haryana Shops and Commercial Establishment Act, 1958 ; and
- b. Employment: The company employs at least 50 (fifty) per cent of its total qualified workforce in Haryana, which shall not include contract employees.

2. How does a Startup obtain benefits under this initiative?

Various benefits are defined in the program, each benefit has its own eligibility criteria. As a first step, the startup will have to be recognized as per Haryana Startup Policy and then proceed to apply for these benefits via the online portal.

3. Which documents are required to be recognized under this initiative?

The recognition by an eligible startup entity requires a set of documents like Registration/Incorporation Certificate & proof of innovation. Proof of Innovation may include any one of the following:

- DIPP Startup India recognition certificate; OR
- Startup has a patent filed in the entity name and published in the Journal by the India Patent Office in areas affiliated with the nature of business being promoted; OR
- Sanction Letter of funding / grant to the entity by Government of India or any State Government as part of any specified scheme to promote innovation; OR

- 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; OR
- If an entity does not possess any of the above mentioned four documents, it may submit a one page write-up / note explaining the innovative nature of its product. The applicant entity is encouraged to share its business plan along with the note on innovation

4. Can an existing entity register itself as a “Startup” on the Startup Haryana portal?

Yes an existing entity meeting the eligibility criteria (refer to Question 1) can register itself on the Startup Haryana portal.

5. What is the time frame for obtaining recognition as a “Startup”?

- The overall time for processing of application would be 10 days, within this timeline either the application has to be approved/rejected or may be pending at applicant end for any further clarification
- If there are any concerns raised by the concerned authority, the applicant must respond within 1 week from the date on which the query was raised

6. Is there a registration fee?

No, there is no registration fee.

7. How can I edit my application after successful submission?

Online there will be provision to edit your application

8. Can I re-apply if my application is rejected once?

Yes

9. Can I register without an incorporation certificate?

No. Incorporation Certificate is a mandatory document while applying for the Startup Haryana program.

10. Is a recognition from DIPP a prerequisite for advertising on Startup Haryana Portal?

No, any Startup is eligible to advertise on Startup Haryana portal. Final discretion on advertisement will remain with DIPP.

11. Would I need to submit a hard copy of my application?

No. All applications will be made via the online portal.

12. What are the various benefits for Startups under the Startup Haryana initiative?

Benefits available for Startups under the Startup Haryana initiative are on fiscal grounds. Various Fiscal Incentives shall be made available to the Startups which are as given below:

1. **Lease rental subsidy:** Reimbursement of 25% of lease rental subsidy to eligible startup units established in the state, operating from Incubators/IT Parks/Industrial Clusters or any other notified location shall be eligible for a period of 1 year subject to the ceiling of INR 1 lakh per annum
2. **Innovation promotion subsidy:** Cost reimbursement for max 3 Patent/Quality certification per Unit up to a limit of INR 2 lakh for domestic & INR 5 lakh for International Patent/Quality certification upon successfully receiving them
3. **EPP 2015 MSMEs Incentives:** Incentives/ provisions under Enterprise Promotion Policy 2015 in force will be available to startups. However the incentive for the same component cannot be claimed from more than one scheme. The applicant has to get the UAM as prescribed by Industries Department, Government of Haryana.
4. **Assistance for Program/App development:** The Recognized startup would get the fiscal support for development of software/mobile app by the agency/proprietor, having incubated in the Mobile Application Centre operational in Startup warehouse, Gurugram. Reimbursement would be to the tune of 60% of development cost, to a ceiling of INR 1 lakh per startup

13. What is the eligibility criteria for Incubators?

For an Incubator to register with Startup Haryana, the Incubator will be required to fill out an online application form and will be required to submit the following documents:

1. Registration/Incorporation Certificate
2. Copy of floor plan
3. Summary on activities carried out by Incubator (Vision, Mission, Revenue Model, Programs to support Startups, details of the management team etc.)

14. What are the various benefits for Incubators under the Startup Haryana initiative?

State support would be provided to Incubators for maximum of 5 years based on performance, at the end of which Incubator is expected to be self-sufficient.

a) Capital Subsidy: (i) Government Host Institutes shall be provided capital grant of 50% of Capital Investment (excluding land cost) for setting up Incubator, Subject to max INR 1 Cr Entrepreneur and Startup Policy 2017-16

(ii) Private Host Institutes shall be provided capital grant of 50% of Capital Investment (excluding land cost) for setting up Incubator, Subject to max INR 50 lakh.

b) Exemption on Rental Charge: Incubators would be given 50% exemption on lease rent and operation & maintenance charge for Govt. owned building for 3 years, up to a maximum of INR 5 lakh per annum per incubator

c) Recurring expense reimbursement: Govt. Incubators shall get the support for recurring expenses as Operational Subsidy assistance up to the limit of INR 1 lakh per year for a period of 3 years

d) Stamp Duty & registration Reimbursement: Incubators shall be provided 100% Stamp duty registration exemption on purchase/lease of land/Office space/IT Building with the condition of commencing operation within 2 years

e) Mentoring & Training: In order to provide mentoring for priority issues such as fundraising, scaling, recruitment and product interface, Incubators shall be provided Mentoring Assistance support up to a limit of INR 3 lakh per year.

f) Assistance for participating in Fair/Exhibition: The Industry association/Incubators leading a delegation of startups to National and International Fair/Exhibition or for organizing such fair/exhibition/ seminars should be provided financial assistance up to INR 25 Lakh or as actual basis. At most 12 such events would be supported by the State government annually.

g) Startup Competition assistance: To encourage entrepreneurship culture in colleges, Eligible Institutes of National Importance, State Universities & Central Universities based in Haryana, established Incubators in these institution's premises shall be supported by state government to organize such startup competition fest annually in which state shall provide assistance up to the limit of INR 5 lakh per event.

15. Can a foreigner enter into partnership under LLP Act & get registered that LLP with Startup Haryana?

Yes, a foreign national can enter into a partnership under LLP Act and get that registered under the Startup Haryana Program.

16. Can a foreign national, a partner in LLP invest in the said LLP recognized by Startup Haryana?

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.

17. Would a One Person Company (OPC) be eligible for benefits under the Startup Haryana Initiative?

Yes.