



# START-UPS- OPPORTUNITIES FOR COMPANY SECRETARIES

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# WHAT IS START-UP ECOSYSTEM?

- A startup ecosystem is formed by people, startups in their various stages and various types of organizations in a location (physical and/or virtual), interacting as a system to create new startup companies.
- **ELEMENTS OF STARTUP ECOSYSTEM**
  - Ideas, inventions and researches
  - Start-ups at various stages
  - Entrepreneurs
  - Start-up team members
  - Angel investors
  - Start-up mentors
  - Start-up advisors
  - Other entrepreneurial minded people
  - Third people from other organizations with start-up activities



# A List of Common Words Used in Startups:

- **MVP:** Minimum Viable Product, the minimum requirements for you to put your product online (aka ship it).
- **Product Market Fit:** This is the point whereby you have built a product that "many" users love = growth. Often a lot of testing & altering things slightly, until you get it right.
- **Execution:** Knowing how to get your first users. More importantly a team that 'knows' how to do it.
- **Growth Hacking:** Creative ways of doing marketing. Coined by Sean Ellis. Think of non-traditional marketing, focussed on user growth.
- **Chicken & Egg Problem:** Social networks need users in order to be sustainable and grow. No users = a dead product.

# A List of Common Words Used in Startups:

- **Burn Rate:** How much money your startup is spending before making a profit.
- **Churn Rate:** The percentage of customers that keep coming back to you. It shows how many customers you are keeping/losing, based on user retention.
- **Pitch Deck:** A PPT presentation of your service. The best pitch deck: <http://www.slideshare.net/mobile/hnshah/mintcom-prelaunch-pitch-deck>
- **Value Proposition:** The value you provide to users or customers. For example: <http://mjsskok.com/resource/building-compelling-value-proposition>
- **Elevator Pitch:** Less than one minute/ one sentence pitch of your startup. Usually "we're X for Y" - is the most common phrase.



# A List of Common Words Used in Startups

- **Conversion Rate:** This can be either, the % of users signing up/ the % of payable users.
- **A/B Testing:** Testing different variants of a landing page (this is a sign up page before launching). Can also be used for testing Adwords campaigns, book covers, colors, pricing etc.
- **Pivot:** Can be either - changing your product slightly OR changing your market segments.
- **The Lean Startup:** A book that created a startup movement based on strong product testing, by Eric Ries.

# A List of Common Words Used in Startups

- **User Acquisition Strategy:** Put simply, how do you plan to get your first users? For example: word-of-mouth (organic growth), Adwords etc.
- **User Acquisition Cost:** The \$ cost value to acquire your users. In simplicity, advertising/ marketing cost.
- **Business Model:** How will you make money? Often enough, what startups think, and what they do is totally different. Think freemium, SaSS (Software as a service), subscription based etc.
- **Freemium:** Giving your service away for free and plan to profit in the future.
- **Pricing Structure:** How much do you plan to charge per user/ per customer. Do you offer tiered payment structures with multiple plans - like SaSS?

# A List of Common Words Used in Startups:

- **Pre-accelerator:** An accelerator that focuses on the ideas validation stage. Usually lasts for 4-8 weeks.
- **Accelerator:** A 3-4 month training program for startups. Startups receive an investment, mentors and other benefits. Y Combinator (YC), is regarded as the best.
- **Incubator:** Uses an external management team to give advice. Takes a larger equity percentage than an accelerator and often the duration of the program is much longer.
- **VC:** Venture Capitalist's are investors that invest a large amount over \$500K USD.
- **Angel:** Angel investors are investors that invest a small amount often between \$10-20K USD.





# ELIGIBLE

## ELIGIBILITY FOR START-UP INDIA

- As per the Startup India Action plan, the followings conditions must be fulfilled in order to be eligible as Startup :
- Has not yet completed a period of ten years from the date of incorporation/registration.
- Is a private limited company or registered as a partnership firm or a limited liability partnership.
- Has an annual turnover not exceeding Rs. 100 crore for any of the financial years since incorporation/registration.
- Is 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.
- It is not formed by splitting up or reconstructing a business already in existence.



## WHY REGISTER?

**1 SELF CERTIFICATION**  
and compliance under 9  
environmental & labour laws

**2 STARTUP PATENT APPLICATION**  
fast track & up to 80%  
rebate in filling patents

**3 PUBLIC PROCUREMENT**  
fast track under the criteria of  
"prior experience/turnover" for  
startups in all Central Government  
ministries/departments

**4 WINDING UP COMPANY**  
in 90 days under Insolvency  
& Bankruptcy code 2016



**5 INR 10,000 CRORE FUND**  
of funds for investment into  
startups through Alternate  
Investment Funds

**6 INR 2,000 CRORE CREDIT**  
guarantee fund for startups  
through National Credit Guarantee  
Trust Company / SIDBI over 4 years

**7 TAX EXEMPTIONS**  
on income tax for 3 years

**8 TAX EXEMPTIONS**  
on capital gains & on Investments  
above Fair Market Value

# TAX EXEMPTIONS ALLOWED TO ELIGIBLE STARTUPS UNDER STARTUP INDIA PROGRAM

## 1. 3 YEAR TAX HOLIDAY IN A BLOCK OF SEVEN YEARS

- The Startup incorporated between April 1, 2016, till 31st March 2021 were eligible for this scheme. Budget 2021 has extended the eligibility to 31st March 2022.
- Such startups will be eligible for getting 100% tax rebate on profit for a period of three years in a block of seven years provided that annual turnover does not exceed Rs.25 crores in any financial year. This will help the startups to meet their working capital requirements during their initial years of operation.

## 2. EXEMPTION FROM TAX ON LONG-TERM CAPITAL GAINS

- A new section 54 EE 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 the 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 the exemption will be revoked in the year in which money is withdrawn.



### **3. 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, family or funds which are not registered as venture capital funds. Also, the investments made by incubators above fair market value is exempt.

### **4. TAX EXEMPTION TO INDIVIDUAL/HUF ON INVESTMENT OF LONG-TERM CAPITAL GAIN IN EQUITY SHARES OF ELIGIBLE STARTUPS U/S 54GB.**

- The existing provisions u/s 54GB allows the exemption from tax on long-term capital gains on the sale of a residential property if such gains are invested in the small or medium enterprises as defined under the Micro, Small and Medium Enterprises Act, 2006. But now this section has been amended to include exemption on capital gains invested in eligible start-ups also.
- 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.
  - This exemption will boost the investment in eligible startups and will promote their growth and expansion.

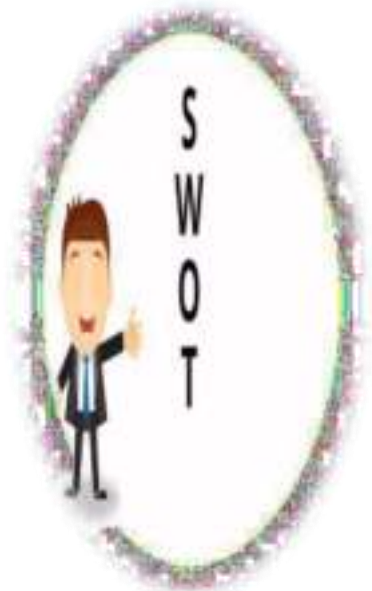


# CREATING A SWOT ANALYSIS FOR STARTUPS

**FULL SCALE**

## WHAT IS A SWOT ANALYSIS?

- **You must have heard or even applied the SWOT process some time in the duration of your business. It might have been a success or not, but this business strategy is one that you need to update continually.**
- **The current economic situation is alarming; a lot of small businesses are on-edge and panicking. Instead of running around in a panic, find a way to capitalize on the situation. It is in this way that the analysis can help you.**
- **A SWOT analysis can help you see your business from different perspectives. If you can see every angle of your business, you will find that your business is more than what meets in the eye. You will discover your strengths and weaknesses. Also, doors for opportunities will open, but these will be accompanied by possible threats.**



## **HOW IS A SWOT ANALYSIS IMPORTANT FOR YOUR STARTUP**

- **SWOT analysis is not something you should belittle. It is a tried and tested analysis that ensures the success of a company. As a startup, this business analysis will serve as a stepping stone to go forward. Here are a few benefits that you can reap from the report.**

### **1. REDUCE RISKS**

- **A SWOT analysis can help the business realize its weaknesses, which is a potential risk itself.**
- **If these drawbacks are not improved, it can create more damage to the organization.**
- **By conducting the analysis, leaders can find ways to counter each threat by improving any flaw in production and gain leverage to the strengths.**
  - **It is in this way that the company can improve its viability and reduce, if not eliminate, threats.**

## **2. IMPROVE BUSINESS PERFORMANCE**

**The analysis can help improve business performance by incorporating each strength with external opportunities. Through the SWOT framework, you will know what you do well and use that as an optimal advantage for success.**

## **3. COMPETITIVE STRATEGY**

- One key factor that every company should consider is market competition. How are their competitors faring, and how are they at an advantage? This is where the SWOT framework comes in.**
- The strategy does not only focus on your company. Many successful companies do a SWOT analysis of their key competitors, as well as in their organization. After, they compare all reports and devise actionable strategies on how to position themselves against competitors.**
- View through the lens of sports. You find out the strengths and weaknesses of your opponent and find out your team's as well. Compare each data and find a way to attack the opponent's weakness and, at the same time, improve your faults and leverage your strengths.**

## INTERNAL

### strengths

- Low salary and benefits overhead
- Quick to respond to market changes
- Light weight and flat hierarchy resulting quicker decision making

### weaknesses

- Existing workload too high
- No previous project planning experiences
- Missing expertise in some areas

POSITIVE

NEGATIVE

### opportunities

- Need to increase market share
- Could convert existing products for new markets

### threats

- Business partners has little loyalty
- Larger competitors get majority of market share and more famous brand name
- Cost of technology investment

EXTERNAL



# **BENEFITS FOR START- UP HIRING COMPANY SECRETARIES**



**Faster Decision Making**



**Higher Cash Balance & Cost Savings**

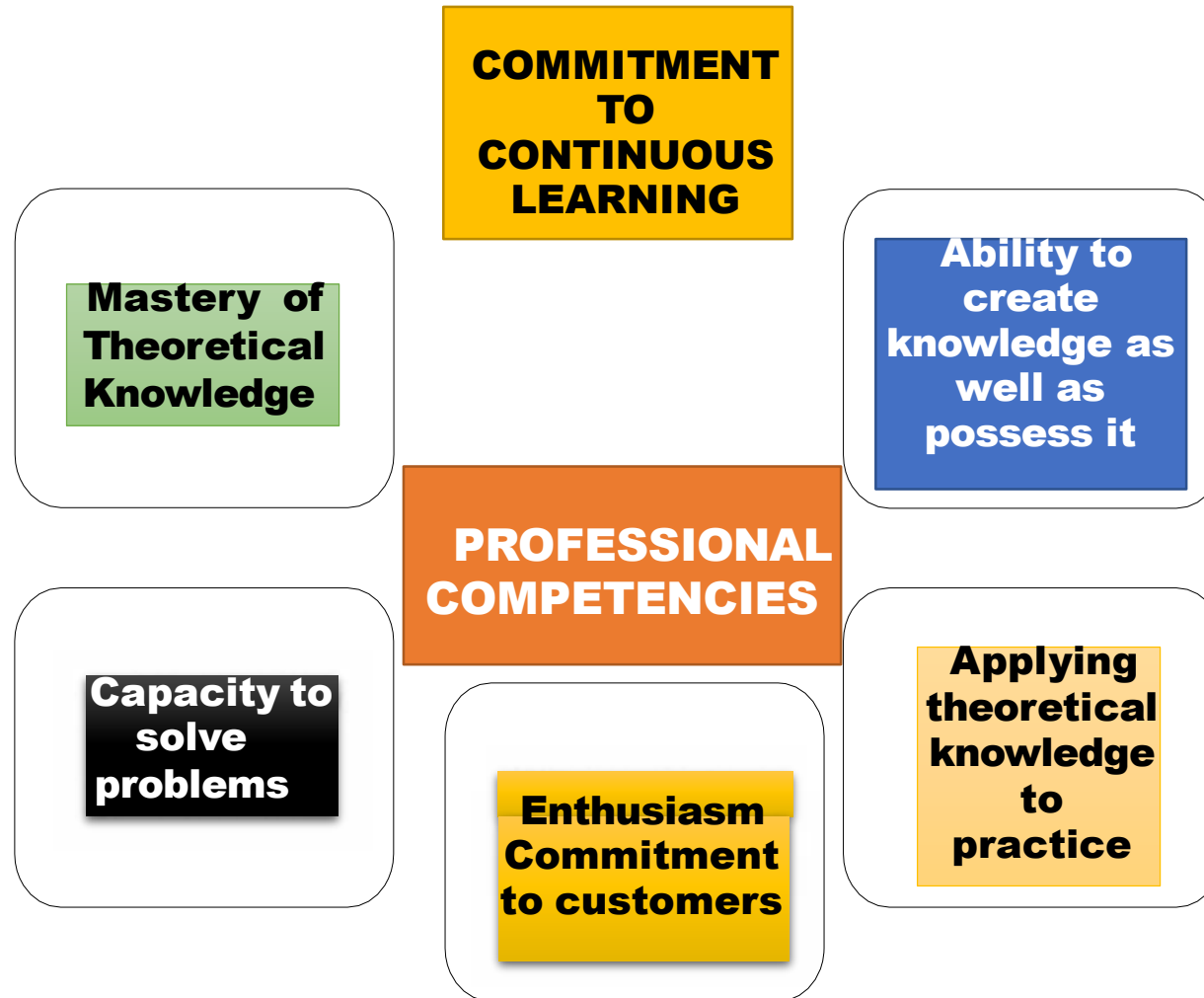


**Increase in sales**



**More opportunities for growth**

# PROFESSIONAL COMPETENCIES



# **CODE OF CONDUCT**

- Friendly environment**
- Professional and ethical behavior**
- Confidentiality**
- Due respect to the fellow members**
- Spirit of law**

## **IDEAS FOR PROFESSIONALS FOR BUSINESS PROMOTION**

- **Using Social Media to engage with customers ( within Permissible guidelines).**
- **Promote your brand but do not be seen as taking advantage.**
- **Extend your brand proposition into content that matters-Give Value.**
- **Identify new occasions and behaviors to drive relevance and trial As almost all stay at home, this is a great opportunity to reach out to them and learn more about them, seek their opinion and get feedback and reviews.**
- **Connecting & revitalizing relationships.**
- **Innovate to find new ways to deliver solutions and services in line with new requirements.**
- **Reassessing your client engagement program If you have been focused around physical channels , this is the time to probably evaluate going digital as quickly as possible.**
- **Variable costs and outsourcing methods may be adopted to become more agile and lean.**

# OPPORTUNITIES FOR STARTUPS IN INDIA

## *1. INDIA'S POPULATION HAS OPENED NEW GATEWAYS*

- **The population of India is a huge asset for the country in the next few years. By 2020, it is supposed that the nation will be experiencing a “demographic bonus” period, where the working age population would surpass the non-working population.**
- **This unique demographic advantage will offer a great opportunity to any firm or organization trying to become successful and create a dominant position in the Indian market.**
- **Entrepreneurs in India have identified the nascent and unorganized stage of infrastructure in a country that is presenting a huge opportunity for them, and hence are trying to digitize or organize various segments.**

## *2. MANY IIT-IANS AND MBA FRESHERS OPT FOR ENTREPRENEURSHIP*

- **Recruiting trend among IITs and top MBA colleges always make news because of the higher packages that are offered to the students.**
- **The talented students from these top colleges either lining up to get placed in the startup or opted out campus recruitment process itself, mostly, due to their growing interest to start their own ventures.**

## *3. TALENT IS INCLINED TO WORK WITH STARTUPS*

- **India is all set to break away the traditional career paths as a lot of talent is tending towards working with the Indian startup space.**
- **Challenging assignments, huge funding that brings huge compensation packages and an associated cool quotient are making startups a very lucrative place and attractive value proposition.**

## *4. INDIAN AND FOREIGN INVESTORS MAKING HUGE INVESTMENTS IN STARTUPS*

- **The startup ecosystem is getting substantial support from foreign and Indian investors, who have shown more faith in the industry and have provided funds to help these companies to grow leaps and bounds.**

## *5. GOVERNMENT FUNDS FOR STARTUP FIRMS*

- **Funding by the GOI has been the biggest backbone for the young entrepreneurs in India. By launching several plans, Indian government has assisted the start-up firms a lot to perform and sustain both in domestic and global market. There are numerous government and semi-governmental initiatives to assist startups.**

### *STARTUP INDIA INITIATIVE*

#### *1. STARTUP INDIA INITIATIVE*

**Launched by the honorable Prime Minister of India, Mr. Narendra Modi, Start-Up India initiative is a great relief for start-up firms that will give them a final break from the conventional License Raj of India. The program includes three-year tax and compliance breaks intended for cutting arduous government regulations and red tapism.**



## *2. MAKE IN INDIA INITIATIVE*

**“Make in India” has not only encouraged the manufacturer, but also the Indian buyer to trust and invest in the in the domestic brands.**

## *3. MUDRA YOJANA*

- **Many small entrepreneurs find difficulty in getting loans or finance to start or run their businesses. Through this scheme, they will easily get loans from the banks to set up, grow and stabilize their businesses. Generally, while applying for loans, these small firms are asked for large collaterals by the banks, which made their business unsustainable.**
- **Atal Innovation Mission (AIM): This is an innovation promotion platform launched by the Mr. Arun Jaitley, the finance minister of India during the budget 2015 that involving academics, entrepreneurs and researchers.**





#### ***4. SETU FUND***

**To facilitate the growth of startup firms, SETU (Self-Employment and Talent Utilization) fund had been set up by the government. Under this program, Rs 1,000 crore has been allotted by the government in order to create opportunities for self-employment and new jobs mainly in technology-driven domains.**

#### ***5. E-BIZ PORTAL***

**To bring down the complexities and obstructions in setting up a business, Government launched e-biz portal that integrates 14 regulatory permissions and licenses at one source. The widespread usage of this portal will enable faster clearances and improve the ease of doing business in India.**

# **CHALLENGES MEANS OPPORTUNITIES**

- **India is facing various challenges like population, poverty, sewage & water management, over use of plastic etc. and all this need to be solved through innovative ways.**
- **Silicon Valley have least problems but highest number of innovations.**
- **But opposite to this India have high number of problems with least number of solutions that opens doors for businesses with innovative ideas.**
- **Urbanization is other key challenge which is attracting foreign investors' interest in the innovative ideas related to electrical vehicles and climate change etc.**

# FUTURE

**The future of India lies in a strong startup ecosystem. Studies indicate that the startup India movement has energized startups and entrepreneurs. India will have 100,000 startups by 2022-23 which will create new job opportunities through their startup ventures.**



**STARTUP  
THE FUTURE**

# UNICORN CLUB INDIA

Growing  
Rapidly



# Likely unicorns of 2022



# PROJECTIONS: INDIAN STARTUP SPACE IN 2025



**100,000**  
Startups



**150+**  
Unicorns



**3.25**  
million  
employed



**\$100**  
billion worth of  
investments between  
2021 to 2025



**#2**  
after US

**DON'T LIMIT YOUR  
CHALLENGES.  
CHALLENGE YOUR  
LIMITS.**

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