

* Bridge Round :-

- When Start up needs additional Capital between two rounds of funding they may raise a bridge round.

Example :- A Ltd is already approved for a term loan of ₹ 1 cr. from Bank but loan is broken into tranches, 1st tranche set to come in 6 months, Company may seek a bridge loan here. It can apply for a 6 months short-term loan that gives it enough money to survive until 1st tranche hits the Company's bank account.

* Incubators :-

- Incubators help entrepreneurs to develop business ideas by providing resources and services in return of 2-10% equity stake.
- These are usually government-supported institutes like IIMs or IITs.
- The incubation period can be 2-3 years.

* Debt financing :-

They require substantial collateral fulfillment of terms and conditions & lot of documents as follows :-

- Application for loan sanction by borrowers.
- Issue of sanction letter by bank.
- Agreement of loan.
- Deed of mortgage, deed of guarantee & hypothecation.

* Unicorn Startup :-

- Unicorn is a privately held startup valued at over 1 billion US dollar.
- India's startup ecosystem has grown dramatically in last decade with a significant rise in investments and support structures.
- India had 111 unicorns valued at 349.67 billions US dollar as a October 2023.
- Bangalore is Unicorn Capital with largest numbers of unicorns headquarters followed by delhi(NCR), Mumbai.
- traditional sectors such as e-commerce, fintech, internet software and services do dominate the arena but strong wave of unconventional sector such as content, gaming, hospitality, data management and analytics are making their place on the list.
- Minimum and Maximum time taken by a startup to be a unicorn are 6 months and Maxi. 26 years.
- Mensa brands took only 6 months to become a unicorn in 2021 making it one of the fastest unicorn in india.

* Going beyond the Unicorn :-

- We are gradually transitioning from the age of unicorns to the age of decacorns.
- Decacorns is a company that has attained valuation of more than 10 billion US dollars.
- India has 5 such startups :
 1. Flipkart
 2. Byjus
 3. Nykaa
 4. Swiggy
 5. Phonepay

*** * The process of recognition of an eligible entity as startup shall be as under :-

- A. A startup shall make an online application over the mobile app or portal set up by the DPIIT.
- B. The application shall be accompanied by-
 - A copy of Certificate of incorporation or registration, as the case may be, and.
 - A write-up about the nature of business highlighting how it is working towards innovation, development or

Improvement of Products or Processes or Services, or its Scalability in terms of employment generation or wealth creation.

c. DPIIP may, after calling for such documents for such enquires, :-

- recognise the eligible entity as startup.
- reject the application be providing reasons.

* Acceptance of Deposite :-

- Deposite does not include an amount of 25 lakh or more received by startup Company by way of Convertible note. (Convertible into Equity Shares or Repayable within period not exceeding 10 years from the date of issue.) in a single tranche, from a person.
- There is no maximum limit in respect of deposite to be accepted from members by Private Company which is Startup for 10 years from date of Incorporation.

* If Startup Company violates Companies Act then penalty for a Company will be 50% of Specified Penalty maximum upto 2lakh and penalty for officer in default will be 50% of Specified Penalty maximum upto 1lakh

* State Startup Ranking :-

- Government of India initiated State Startup Ranking in 2018, To evaluate States and Union Territories on Various parameters to built robust Startup System.
- New reform areas were introduced to the framework :
 1. Capacity building of enablers.
 2. Mentorship Support
 3. Fostering innovation and entrepreneurship.
- Best Practices adopted by Various States were :
 1. Institutional Support.
 2. Fostering entrepreneurship and innovation.
 3. Mentorship Support.
 4. Capacity building of enablers.
 5. Access to market.
 6. Incubation Support.
 7. Funding Support.

• Best performing states :-

1. Gujarat
2. Karnataka
3. Meghalaya.