



भारतीय स्टेट बैंक  
State Bank of India

हर भारतीय का बैंक  
THE BANKER TO EVERY INDIAN

# Start-up with SBI

January, 2016



*"My dear young friends, in my August 15 address from the Red Fort, I had made preliminary mention about 'Start-up India, Stand-up India'. After that, this spread to all departments of the government. Can India be a start-up capital? Can the youth in states have opportunities in the form of start-ups, with innovations, whether it be manufacturing, service sector or agriculture? In everything, there should be freshness, new ways, new thinking. The world cannot move ahead without innovation."*

*"On January 16, the government of India will unveil the full action plan of 'Start-up India, Stand-up India'. A structure will be presented before you. This programme will be connected to the country's IITs, IIMs, central universities and NITs. Wherever there are youth, they will be linked through live connectivity,".....Narendra Modi, Prime Minister- India*



*Dear Entrepreneurs,*

*Today India is in the midst of a new revolution propelled by Start-ups. You are disrupting the traditional business processes, redefining rules and transforming the business landscape altogether. Therefore you are effectively creating a new ecosystem which I believe is robust, transformative and filled with Indian entrepreneurial spirit to reach out to the world. Billions of dollars are invested in starts ups globally as it has the potential to substantially alter the course of a country's economic growth. Today, the Start-ups defy the natural rates of growth. An idea can become a global name within a year. Employees can multiply at the rate of thousands, customers at the rate of millions and valuation at the rate of billions.*

*The pace at which people in India are taking to digital technology defies our stereotypes of age, education, language and income. Digital innovation is the new mantra for success and Govt. has also committed to realize the dream of digital India.*

*As a Banker to the Digital India, State Bank of India is committed to partner with the start-ups in their growth story and help them in realizing their potential.*

*With best wishes,*

*Arundhati Bhattacharya*

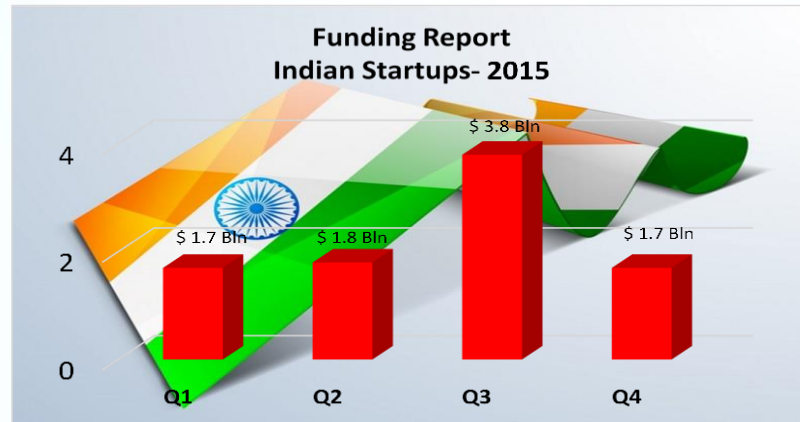
*Chairman, State Bank of India*



## INDIA:- Pouring Money

### Investors pump \$9 billion into Indian start-ups in 2015

2015 was year of a risk capital bonanza for Indian start-ups. Between January and December 2015, risk capital worth \$9 billion was invested in Indian start-ups across 1,005 plus deals where deal value was announced.



A majority of the deals fall in the online and mobile categories. This is not surprising considering the number of Internet users in India has crossed the 350 million mark, growing 50 percent over the last year, according to a study by the Internet and Mobile Association of India (IAMAI) and IMRB International.

### “Why Bharat is a Start-up Nation”

- 3rd • Ranking Among Global Startup Ecosystem
- 110 • Number of Incubators/Accelerators in India
- ~ \$ 9 B • Total Funding in 2015
- 28 Yrs • Average age of founders- Young and Aspiring minds
- 8/10 • Top VC/PE Firms in India are Foreign

### What to look out in Start-up Policy of Indian Government

The Start-up India, Stand up India initiative will be unveiled by Prime Minister Narendra Modi on 16<sup>th</sup> January 2016. It is being prepared by the Department of Industrial Policy and Promotion, or DIIPP. A start-up should look for following in the policy.

- 1 The Definition of Start-up by government of India. The definition is important to understand who will “come under the ambit” of the policy.
- 2 Defining eligibility criteria for benefits, such as incubation facility, easy labour laws, and help in applying patents may be more useful.
- 3 Focus of policy will be on manufacturing/ seek to promote innovation/ encourage services or specifically ecommerce.
- 4 Tax incentives to small unlisted start-ups.
- 5 Other miscellaneous issues, such as ease of doing business, compliance and exits.

### Success: - The Zoomcar Way.....



A quick look into any success story shows a path breaking idea at the heart of the tale. Zoomcar is no exception. It is not the idea itself but the conviction to convert ideas into action and action into results is what defines a true success story. Measured by that yardstick, Zoomcar has been hugely successful. With India being one of the countries with lowest car ownership in the world with average being around 41 vehicles in 1000 people (128<sup>th</sup>rank worldwide), car rental service is one of the most useful service that a startup can provide and it is this idea that this startup is building on.

This “self drive” rental company is only 18 months old founded in Bangalore by two US expats — David Back and Greg Moran. Zoomcar is certain about staying fixed to this market of ‘self driven’ car rentals and the response so far has been great. And now they are looking forward to expanding in other countries. For around 89 weekends in a row they had to turn back customers as they had less resources than they could offer but recently, they have received a huge funding by Sequoia Capital and Empire Angels. Now this investment will enable them to expand and meet the supply-demand gap that existed before.

With the new investment received by them, they plan to add around 7000 cars (including electrically run vehicles) and expand to four to five major cities by next year. Besides that, it will also be spent on expanding staff and developing technology. By developing technology they mean to develop the service wherein one can pick up car in one city and drop it in another city. Also, they are looking at integrating ride-sharing and car-pooling services. They are also looking at building a peer to peer model where the car owners can rent out their vehicles. In a country where stereotypes are common, Zoomcar managed to break the norm and change the car rental industry in India for ever. Zoomcar’s story proves that if you have a great idea, and you are a doer and not a thinker, success is not far off.

## Service Tax, VAT and CST – An Overview

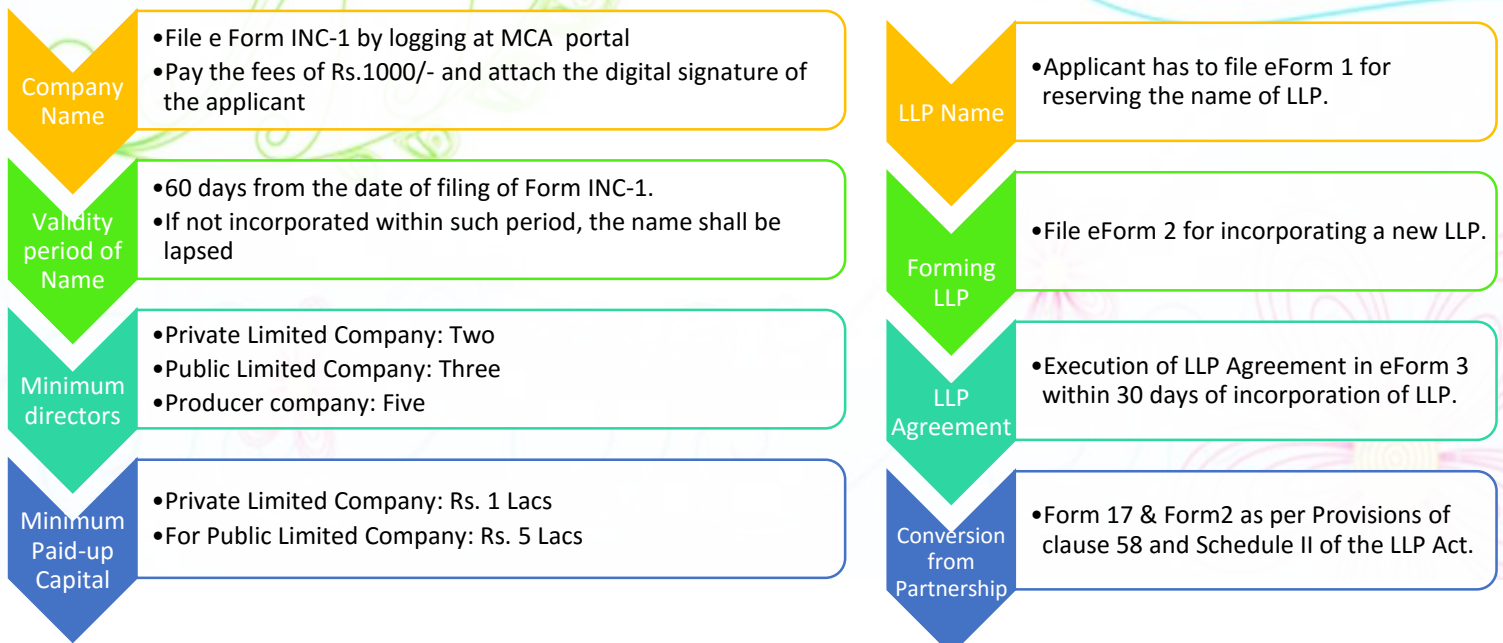
Getting confused about when to charge Service Tax, VAT or CST?? .

This is an area where all Start-ups especially from the technology domain are a little puzzled about chargeability, rates and other points of taxation of service tax, VAT and CST.



Particular	Service Tax	VAT (Value Added Tax)	CST (Central Sales Tax)
<b>Difference of Taxability:</b>	Indirect tax imposed only on <u>services provided</u>	Indirect tax imposed only on <u>goods sold within a particular state</u>	Indirect tax imposed only on <u>goods sold from one state to another state</u>
<b>Governing Act:</b>	Finance Act, 1994	Respective state Acts	Central Sales Tax Act, 1956
<b>Registration: When?</b>	If services provided crosses turnover of Rs 9 lacs in preceding financial year.	If turnover exceeding Rs 5 lacs (or increased limit of Rs 10 lacs in some states)	Irrespective of turnover, while doing inter-state sale.
<b>Due Dates of Returns:</b>	Half-yearly- April – September: 25 <sup>th</sup> Oct. October – March: 25 <sup>th</sup> April.	20 <sup>th</sup> of the succeeding month following the relevant month	20 <sup>th</sup> of the succeeding month following the relevant month
<b>Point of Taxation OR Chargeability</b>	At the time of rendering services	Sale of goods	Sale of goods
<b>Time of Payment/Deposit of Tax:</b>	Individual, Sole Proprietorship, Partnership or LLPs to pay quarterly, any other to pay monthly on 6 <sup>th</sup> (electronically) or on 5 <sup>th</sup> (manually) of the month following of the quarter/month. (For 31 <sup>st</sup> March- on 31 <sup>st</sup> March.)	By 15 <sup>th</sup> of the succeeding month following the relevant month.	By 20 <sup>th</sup> of the month following the relevant month.

## Steps for Registration of Company/LLP







Dear Start-ups,

The country is witnessing a Start-up revolution. We are going through transformation. There is a whole new world out there. The course of human history and progress has been shaped by imagination, inspiration, invention and innovation. The idea of Start Ups is as ancient as this world. Start Ups have always been the engine of progress. The mega corporations of today were Start-up of yesterday. What is different now is that the digital age has created a fertile new environment for Start-ups.

India's own ecosystem of start-up is evolving rapidly. It is driven by the energy, enterprise and innovation of our youth. India has woken up to the potential of Start-up Ventures with great enthusiasm and energy. In the past few years, they have grown exponentially. SBI with it's huge network and ability to share vision for country's growth with you is best suited to be your banking partner on your growth path. SBI is there to help jump start your start up with resources, connections, and knowledge that turn intentions into impact.

With best wishes.....Rajnish Kumar, Managing Director, State Bank of India

## Advantages of Being associated with SBI on your journey to become UNICORN:-

- First of it's kind START-UP branch to understand and fulfill your banking needs, technology and infrastructure to support your futuristic needs for your growth.
- Dedicated Relationship Manager to satisfy all needs of a Start-up, works as a single point of contact, end to end solution for mentoring start-up for regulatory requirement.
- Dedicated Start-up counselling desk for round the clock assistance at SBI Banerghatta branch.
- Cash management solutions that streamline your receivables and payables, minimise risk and help shorten your cash conversion cycle.

- Banking on a foundation built over **200 years**
- Only Indian bank** in the Fortune Global 500 list
- Extensive network coverage in India and across **36 countries**
- India's largest bank in terms of balance sheet and branch network
- State of art technology using **internet / Mobile banking**
- Strong relationship** with Indian governments – central and states

## SBI Products for Start-ups-

- Current Account** A basic account with all available variants for catering your banking needs on all platforms.
- To carry out banking activities anywhere and anytime aided with the power and convenience of the internet.
- Internet banking application offered on Mobile for your financial and non-financial transactions.
- To receive online payments from receivers of goods & services, without maintaining any website.
- Servicing the international needs by receiving foreign inward remittances, across the globe.
- Mobile wallet which can be used to transfer money to other wallet users and bank accounts, anytime, anywhere.
- Facilitating e-Commerce transactions between merchants, customers and various financial institutions for all kinds of payments.

To Know More visit our website [www.sbi.co.in](http://www.sbi.co.in) or call our toll free number 1800-11-22-11

New Start-up branch: SBI InCube  
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