

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:3953  
ANSWERED ON:09.12.2016  
Access to Funds for Startups  
Owaisi Shri Asaduddin

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the Government has made it easier for startups to access funds via the convertible note route and if so, the details thereof;
- (b) whether under this scheme funding of Rs.25 lakhs or more by convertible note in a single tranche not termed as a deposit;
- (c) if so, whether the Government has amended the Companies Laws to this effect; and
- (d) if so, the other facilities being given to encourage startups in the country?

**Answer**

THE MINISTER OF STATE (SHRI ARJUN RAM MEGHWAL)  
IN THE MINISTRY OF CORPORATE AFFAIRS (???? ?????? ??? ??????)  
????????? ?????? ?????????? ??? ?????? ???????

(a) to (d):- The Companies (Acceptance of Deposit) Rules, 2014 have been amended to provide that an amount of twenty five lakh rupees or more received by a start-up company, by way of a convertible note (convertible into equity shares or repayable within a period not exceeding five years from the date of issue) in a single tranche, from a person shall not be treated as a deposit. Further, since the launch of startup India programme, a number of initiatives have been taken to promote startups. Details are as per Annexure-A.  
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