



## Definition of Startup -

As per Notification dated 19<sup>th</sup> February 2019 of Ministry Of Commerce And Industry (Department for Promotion of Industry and Internal Trade - DPIIT), an entity shall be considered as a Startup if it meets the following criteria's:

Sr. No.	Eligibility Criteria (as per definition)	Requirements to be fulfilled
1	Entity's Age	Registration with DPIIT within 10 years of its inception.
2	Entity Type	<ul style="list-style-type: none"><li>• Private Limited, or</li><li>• Limited Liability Partnership, or</li><li>• Registered Partnership Firm</li></ul>
3	Annual Turnover	Turnover should not exceed INR 100 Crore in any Financial year since inception.
4	Entity's formation	Should not have been formed by re-organisation of existing business.
5.	Innovation	Should be working towards innovation or development or improvement of a existing product or process or service
6.	Scalable	Should have scalable business model with high potential for creation of wealth & employment



# Various Start up Registrations

**Application for Start-up  
Registration / Recognition**

**Start-up Tax Exemption  
Application for Section 80IAC**

**Start-up Tax Exemption  
Application under Section 56  
(Angel Tax)**



## Start up Tax Exemption Application for Section 80IAC of Income Tax Act:

Benefit of 80IAC Exemption	Eligibility Criteria
<p>Startup can avail <b>tax holiday</b> for <b>3 consecutive financial years</b> out of its first ten years since incorporation.</p>	<p>A recognized Startup which is either</p> <ul style="list-style-type: none"><li>• Private limited or</li><li>• a Limited Liability Partnership; and</li></ul> <p>incorporated after 1st April, 2016 but before 1<sup>st</sup> April 2022.</p>





## Start-up Tax Exemption Application u/s 56(2)(viib) of Income Tax Act (Angel Tax):

Benefit of Section 56(2)(viib) Exemption	Eligibility Criteria
Startup can avail <b>tax exemption</b> for amounts received as <b>consideration for issuance of shares above Fair Market Value (FMV)</b> of the Company	A recognized Startup Company whose aggregate amount of paid up share capital and share premium of the Startup after the proposed issue of share, if any, does not exceed INR 25 Crore.





## Other Benefits for Start-up Recognised:

Sr. No.	Other Benefits
1	Self-certification by Start-ups for compliance for 6 Labour Laws and 3 Environmental Laws through a simple online procedure.
2	50% reduction on Government Fees for IPR registration
3	Cost of Facilitators, if any, for IPRs filed shall be borne by the Government of India.
4	Easier way to procure the government tenders, after following due process.
5	Comparatively easier to wind up under Insolvency and Bankruptcy Code.



▶ **Cessation of Startup recognition granted**

Sr. No.	Reason for Cessation of Startup recognition granted
1.	On completion of 10 years from the date of its incorporation/registration; or
2.	If its turnover for any previous financial year exceeds INR 100 Crore.

