

# Startup recognition

## Startup Series #1

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*Startup India is a flagship initiative of the Government of India, intended to build a strong ecosystem for nurturing innovation and creating employment opportunities. The objective of introducing the scheme is to offer various incentives to recognized startups and reduce their regulatory burden, thereby allowing them to focus on their core business and keep compliance cost low.*

*In this 'Startup Series', we would be covering various regulatory provisions and benefits applicable to startups. In **#1** of the Series, we briefly look at eligibility criteria to register as a startup, the application process and the key benefits offered.*

# Startup recognition



## **NATURE OF ENTITY**

Incorporated as a Private Limited Company, a Registered Partnership Firm or a Limited Liability Partnership.

## **AGE OF ENTITY**

Period of existence should not be exceeding 10 years from the Date of Incorporation.

## **ANNUAL TURNOVER**

Should have an annual turnover not exceeding Rs. 100 crore for any of the financial years since its incorporation.

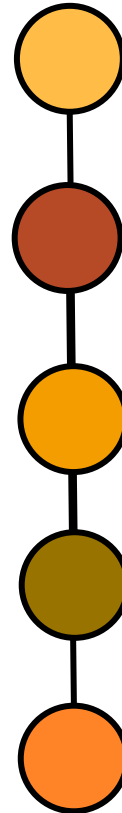
## **NATURE OF BUSINESS**

Should work towards development or improvement of a product/ process / service and/or have scalable business model with high potential for creation of wealth & employment.

## **FORMATION**

Should not have been formed by splitting up or reconstructing an already existing business.

# Key Benefits



Tax holiday for 3 consecutive financial years out of first ten years since incorporation and various other income tax benefits.

Self-certification under 9 labour and 3 environment laws and no labour law inspections for the first 5 years from incorporation.

Ease of winding up of business within 90 days from the date of application.

Fast tracking of patent applications, Government to bear facilitation cost and 80% rebate in filing cost.

Relaxation in public procurement norms.

# Application process

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**A**

## APPLICATION

Online application through the mobile app or portal set up by the Department for Promotion of Industry and Internal Trade ('DPIIT'). ([www.startupindia.gov.in](http://www.startupindia.gov.in))

**B**

## DOCUMENTS REQUIRED

- Certificate of Incorporation / Registration
- Write-up about the nature of business highlighting how it is working towards innovation employment generation / wealth creation.

**C**

## APPROVAL

The DPIIT may, after calling for additional information / documents (if required), recognize the eligible entity as Startup if deemed fit.

# Stay tuned for more updates on Startups!

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**Startup recognition**



**Capital gains exemption on investment in startups**



**Tax holiday benefit**



**Exchange control provisions**



**Taxability of share premium**



**Labor law relaxations**



**Taxability of ESOPs**



**Startup India Seed Fund**



**Carry forward of losses in case of change in shareholding**



**Other regulatory provisions / benefits**

# THANK YOU

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