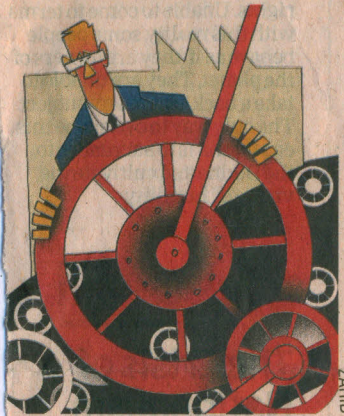


Definition of Startup Set to Boost Deserving Cos

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New Delhi: The government has set out the definition of a 'startup' to ensure that only deserving companies draw the benefits of its 'Startup India Action Plan' and to "create a conducive environment for startups in India".

As per a government notification, 'startup' companies would be required to have equity funding of at least 20% by any incubation, angel or private equity fund, an accelerator or angel network duly registered with the Securities and

Exchange Board of India endorsing the innovative nature of the business. Such companies would fall under the category of startups up to five years from the date of incorporation as long as their turnover does not exceed ₹25 crore.

In order to boost innovation, such companies should be engaged in development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property.

The process of recognising a startup would be done through a mobile application/portal.

However, until the mobile appli-

cation becomes operational, alternative arrangement will be made by the department of industrial policy and promotion (DIPP).

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incubation and talent.

Modi announced a tax holiday and Inspector Raj-free regime for

three years, capital gains tax exemption and ₹10,000 crore corpus for funding of startups.

In order to reduce the regulatory burden on startups, the action plan also includes a self-certification scheme in respect of nine labour and environment laws, and says there will be no inspection during the first three years of launch of the venture. The government is also working on a legal support for fast-tracking patent examination at lower costs. It will promote awareness and adoption of Intellectual Property Rights (IPRs) by startups and help them protect and commercialise IPRs.