

News

Startup India was launched by the Government of India on 16th January, 2016 to build a strong eco-system for nurturing innovation and Startups in the country to drive economic growth and generate large scale employment opportunities.

In order to promote entrepreneurship in the country, the Government of India has amended the definition of a Startup. The following significant changes have been made to the definition of Startups –

a) Age of Startup increased: Taking into account the long gestation period by Startups to establish, an entity shall be considered as a Startup up to seven years from the date of its incorporation/ registration (from earlier 5 years). However, in the case of Startups in the Biotechnology sector, the period shall be up to ten years from the date of incorporation/ registration.

b) No Letter of Recommendation required: No letter of recommendation from an incubator/industry association shall be required for either recognition or tax benefits

c) Potential of Job and Wealth Creation: The scope of definition has been broadened to include scalability of business model with potential of employment generation or wealth creation.

As a constant endeavour to facilitate the Startup ecosystem, the Department of Industrial Policy and Promotion (DIPP) has been holding extensive consultations with stakeholders. The above changes are an effort to ensure ease of starting up new businesses to promote the Startup ecosystem and build a nation of job creators instead of job seekers.