

Benefits for Start-up under Companies Act,2013:

Sr. No.	Benefits	Description
1	Cash Flow Statement not required	¹ Startups will no longer be required to include cash flow statements as part of their financial statements.
2	Exemption to accept of Deposits	² Accepts from its member's monies not exceeding 100% of aggregate of the paid up share capital and free reserves. An amount of twenty five lakh rupees or more received by a start-up company, by way of a convertible note
3	Lesser number of Board Meetings	³ Startups will now be exempt from holding quarterly board meetings every year. The MCA now allows start-ups to hold two board meetings in a calendar year, that is, once in six months. The gap between two consecutive board meetings must be at least 90 days.
4	Issue of Sweat Equity Shares	⁴ A start up company may issue sweat equity shares not exceeding 50% of its paid up capital up to 5 years from the date of its incorporation or registration
5	Employee Stock Option Plan(ESOP) allowed to promoters & Directors	⁵ Upto ten years from the date of its incorporation or registration Employee Stock Option Plan(ESOP) allowed to: (i) An employee who is a promoter or a person belonging to the promoter group; or (ii) A director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

Reference:

1. Section 2 (40) of The Companies Act,2013
2. Section 73 of The Companies Act,2013
3. Section 173 of The Companies Act,2013
4. Rule 8 of Companies (Share Capital and Debentures) Rules, 2014
5. Rule 12 of Companies (Share Capital and Debentures) Rules, 2014

Benefits for Start-up from Angle Tax under Income Tax Act,1961:

Sr. No.	Benefits	Description
1	Issue of shares exceeding fair market value	¹ Issue of shares by Private Companies to any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares
		However, Shares cannot be issued at price exceeding fair market value where the consideration for issue of shares is received— (i) by a venture capital undertaking from a venture capital company or a venture capital fund 67[or a specified fund]; or (ii) by a company from a class or classes of persons as may be notified by the Central Government in this behalf.

Reference:

1. Section 56(2)(viib) of The Income tax Act,2013