

Minutes of the Thirtieth Inter Ministerial Board

The 30th Meeting of the Inter Ministerial Board was held on 16.05.2019 at 11:30 am in Room No. 152, Udyog Bhawan. The meeting was convened by Shri Anil Agrawal, Joint Secretary, Department for Promotion of Industry and Internal Trade. Representatives from Department of Science & Technology and Department of Biotechnology were also present. List of participants is enclosed at **Annexure 1**.

2. The IMB was informed about the notification issued by DPIIT vide G.S.R. No. 127(E), dated the 19th February 2019 where by:

1. The definition of 'Startup' has been enhanced to read as follows
"An entity shall be considered as a 'Startup'
 - i. Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India
 - ii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees
 - iii. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation
 - iv. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'"
2. The IMB has been reconstituted comprising the following members
 - i. Joint Secretary, Department of Promotion of Industry and Internal Trade, Convener
 - ii. Representative of Department of Biotechnology, Member
 - iii. Representative of Department of Science & Technology, Member

3. In view of the material changes made in the process of grant of exemption under Section 80 IAC of the Income Tax Act, it is imperative to reconsider/review the received applications for grant.

4. The complete process from receipt of application to grant/rejection was reviewed. The following issues were discussed:

- a) It was observed that a large number of applications were being rejected for availability of similar products/services. The applications should not be rejected merely on the basis of similar products/services, as it could mean higher demand and competition
- b) An entity which is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation is also eligible for these exemptions. While evaluating these startups, these aspects must also be considered

- c) Startups from remote/rural areas and women entrepreneurs should be encouraged to apply
- d) IMB may ask for video presentation of a defined duration with specific areas to be covered by a startup for applying for the tax exemption
- e) IMB may also hold video conference with the startup, if required.

Annexure 1

List of Participants in the 30th Inter Ministerial Board of Certification

1. Shri Anil Agrawal, Joint Secretary, Department for Promotion of Industry and Internal Trade
2. Smt Shruti Singh, Director, Department for Promotion of Industry and Internal Trade
3. Dr. Naveen Vasisht, Director, Department of Science and Technology (DST)
4. Dr. Kalaivani Ganesan, Scientist E, Department of Biotechnology (DBT)
5. Dr. Sanjeev Majumdar, Manager, National Research Development Corporation (NRDC)
6. Members of the IMB Secretariat