

ARE YOU AN ELIGIBLE START UP?

If you want to offer the **BENEFIT OF DEFERRED TAXATION ON ESOP** to your employees it is not enough that you are a start up but you need to be an **ELIGIBLE START UP**



How do you become an eligible Startup?

1

Get a DIPP approval for registering as start up

2

Apply to the Inter - Ministerial Board at Startup@gov.in to be recognised as an Eligible Start-Up.

3

You will receive a certificate for this recogniton.

What benefits can you pass on to the employees?

Deferment of Perquisite Tax

Government has deferred the payment of income taxes on ESOPs from the time of exercise of ESOP.

Tax will be deferred to within 14 days from the following events whichever is the earliest.

- 1) after the expiry of 48 months from the end of the relevant assessment year; or
- 2) from the date of the sale of such ESOP shares by the assessee; or
- 3) from the date of the taxpayer ceasing to be an employee of the ESOP allotting employer.

For more information,



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