

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 3755  
ANSWERED ON FRIDAY, MARCH 24<sup>TH</sup>, 2017/  
CHAITRA 3, 1939 (SAKA)  
SWEAT EQUITY FOR START-UPS  
QUESTION**

**3755. SHRI BHAGWANTH KHUBA:**

**Will the Minister of CORPORATE AFFAIRS कारपोरेट कार्य मंत्री  
be pleased to state:**

**(a) whether the Government intends to enforce the proposal of increasing the limit on sweat equity for start-ups from 25 per cent to 50 per cent; and**

**(b) if so, the details thereof?**

**THE MINISTER OF STATE (SHRI ARJUN RAM MEGHWAL)**

**IN THE MINISTRY OF CORPORATE AFFAIRS (श्री अर्जुन राम मेघवाल)  
कारपोरेट कार्य मंत्रालय में राज्य मंत्री**

**(a) to (b):- This Ministry vide notification GSR 704 (E) dated 19.07.2016 has amended Companies (Share Capital and Debentures) Rules, 2014 to allow a startup company as defined in notification GSR number 100 (E) dated 17.02.2016 issued by Department of Industrial Policy and Promotion, to issue sweat equity shares not exceeding fifty per cent of its paid up capital upto five years from the date of its incorporation or registration.**

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